

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE
THURSDAY, 5 OCTOBER 2023

Report Title	Canalside Site, A419, Stonehouse
Purpose of Report	To consider recommendations from the Housing Committee to appropriate this site into the General Fund and to agree in principle to grant an option to a community group to take on the site, subject to a number of conditions being met.
Decision(s)	<p>The Committee RESOLVES:</p> <ul style="list-style-type: none"> a) To appropriate the Canalside Site , A419, Stonehouse as shown in the plan at Appendix A to this report from the Housing Revenue Account into the General Fund at market value. b) That the capital funding allocated to the Canalside site in the HRA New Build programme and the receipt to the HRA from this appropriation be earmarked for future investment in affordable housing in the local area. c) To agree in principle that an option will be offered to an appropriately constituted organisation for the freehold or long leasehold interest in the site for community use subject to a further report to this Committee and the following conditions being met within the next 18 months: <ul style="list-style-type: none"> a. That a Working Group is established for the site with representatives from Stonehouse Town Council, community representatives and Stroud District Council (alongside other key stakeholders), which will move towards establishing or nominating a constituted community anchor organisation that could enter into an option for the freehold or leasehold interest in the site. b. That the working group: <ul style="list-style-type: none"> i. agrees the shared community outcomes that will be delivered from future uses of the site based on the Onion Collectives report attached at Appendix B and incorporates these into its terms of reference. ii. undertakes further consultation with sections of the community who have been insufficiently involved to date; that is, young people, businesses, charities/social sector and the Bridgend community and undertakes open public engagement once concept designs for the site are in place following good practice in undertaking this consultation.

	<p>iii. submits a business case to the Head of Property Services which sets out/includes :</p> <ol style="list-style-type: none"> 1. the proposed future use of the site. 2. a formal pre-app response from the local planning authority that supports an illustrative development scheme for the site. 3. the proposed organisation that will enter into an option. 4. a business plan to include (but not limited to) viability of the proposed scheme , any consideration offered for the site, funding options, risk analysis and quantifies where possible, the social, economic and environmental benefits of the proposal. 5. sets out how this site will link the Canal to Stonehouse and Bridgend and vice versa as well as to other canal side sites within Stonehouse. 6. feedback from the community consultation and engagement undertaken. <p>and</p> <p>c. that any disposal complies with s123 of the Local Government Act 1972 by securing the promotion or improvement of the economic, social or environmental well-being of the area</p>
Consultation and Feedback	Consultation and feedback on the future of the site is set out in the Onion Collectives report at Appendix B
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Options	<p>The Committee could decide not to appropriate the site into the General Fund and recommend that the Housing committee reconsiders the use of the site to either</p> <ol style="list-style-type: none"> a) progress a planning application for new build development on the site or b) dispose of the site on the open market <p>These have been discounted at this stage in view of the Council motion asking for non-housing options to be explored, the view from stakeholders set out in the Common Ground report at Appendix B and the recommendations from Housing Committee</p>

Background Papers	None			
Appendices	Appendix A - Site Plan Appendix B - Onion Collective; Common Ground in Stonehouse			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

1. INTRODUCTION / BACKGROUND

1.1 In July last year Council approved a motion (CL. 016) which requested a report to Housing Committee on the options for a suitable use for the former Ship Inn site in Stonehouse that:

1. *Considers non-housing uses.*
2. *Builds upon the District Council's Canal Strategy and this Council's previous consultations for all its canal side sites in this area and, in light of the Stonehouse Town Council survey, continues to engage with the community and other stakeholders in exploring potential future uses for the site.*
3. *Invests any value from the site, if the site is not used for council housing, into affordable housing in the local area.*

1.2 Based on this motion the council appointed consultants, DHUD, who set out a proposal for delivering work (working with other consultants) which includes the following broad areas:

- a) Stakeholder and community engagement and identification of common ground
- b) Identification of strategic opportunities (multi-site approach)
- c) Strategic viability and Delivery Testing
- d) Co-Design of Former Ship Inn site options

The cost of this consultancy work is anticipated to be £74,000 and is being met from the council's General Fund Regeneration Reserve.

1.3 Housing Committee considered the outcome of the first stage of this commission at its meeting in June 2023 i.e. the outcome of the initial stakeholder and community engagement and identification of common ground. This is set out in the Onion Collectives report at Appendix B.

1.4 It was anticipated that further public consultation would have taken place at this point and that the initial strategic design work would have commenced, it became clear through the initial meetings with stakeholders that before this work can usefully begin more work needs to be done on rebuilding relationships and that the community need more support and guidance to move forward. This is now being provided through the DHUD commission.

1.5 Despite the delay in the strategic design work, at its meeting in June Housing Committee resolved to :

- a) *note the Common Ground Report [at Appendix A] and endorse the stepping stones set out on page 17 of the report as a basis for moving forward with the community.*
- b) *remove the Canalside site, A419, Stonehouse (former Ship Inn site) from the new build programme and*

RECOMMENDS to Strategy and Resources Committee:

- c) *that the Committee considers appropriating the site from the Housing Revenue Account (HRA) into the General Fund to enable an option to be granted to the community to transfer the site for community use; subject to a further report setting out the reasons for granting such an option and a timetable and conditions for doing so.*
- d) *that the capital funding allocated to the Canalside site, including the receipt to the HRA from an appropriation of the site, be earmarked for future investment in affordable housing in the local area.*

1.6 This report is therefore a result of the approved motion to Council and the Housing Committee's subsequent recommendations.

2. MAIN POINTS

- 2.1 This site (0.6 acres) was originally transferred to the council in 2013 from the County Council as one of 3 sites which formed its contribution to the Canal (Phase 1a) project, the total value of these sites was estimated at £1m by GCC at that time, with this site valued at £600k, lying as it does within the development boundary.
- 2.2 A subsequent commercial sale fell through and the site was appropriated to the HRA and included in the new build programme. A continuing theme since its transfer has been the Town's view that it can and should provide an important link from the canal to the town centre and this has been borne out by the recent consultation and indeed the Council's own consultants.
- 2.3 The Council motion acknowledges this , but it is also important to recognise the loss of the site from the new build programme, the detrimental impact on those in housing need and to mitigate this as far as possible. Housing Committee's recommendation regarding the capital sums associated with the site are intended to do this by reinvesting those sums in affordable housing in the local area.
- 2.4 This site has clearly become the focus of the many concerns and opportunities but it is of a relatively small size and cannot deliver all the changes and opportunities which those consulted have identified. The wider strategic work , which is part of the DHUD consultancy proposal will also look beyond this site, including those others along Wharfdale Way and the canal owned by this council as well as others that have been suggested through the consultation process.
- 2.5 However, the consultants are clear that the former Ship Inn site has become 'about community voice' and that there is now a great opportunity to harness the community's energy surrounding the site's future use in a positive way, and for the council to continue its support to help the community to achieve this.
- 2.6 Following Housing Committee's decision to remove the site from the new build programme, the site would need to be appropriated into the General Fund (if members support the recommendations from the Onion Collective and Housing Committee) in order to provide

the local community with the opportunity to fully consider what it wants to see the site used for and to bring forward a proposal to achieve that.

- 2.7 Any appropriation between the HRA and General Fund must be done at market value and it is the council's usual practice to have an independent 'red book' valuation undertaken to confirm this. The site's market value has therefore been assessed by an independent valuer at £450,000.
- 2.8 This should be regarded as a major financial contribution to community development within Stonehouse as the purchase of a site by the General Fund will allow the community to develop a community led solution. This is in line with Council Plan Objective CW3.
- 2.9 The conditions for transfer ensure that the Council satisfies both legal obligations and the desire for an achievable community led use for the site. The 18 month time frame is intended to ensure that focus on outcomes from all parties is maintained. If the conditions are not met within that timescale this committee will then need to reconsider whether to extend the timescale if they are satisfied there are reasons for doing so or to realise the value of the site in another way, perhaps through a market disposal.

3. CONCLUSION

- 3.1 The long-term community outcomes identified by the Onion Collective, closely align to our Council Plan priorities of Environment and Climate Change, Community Resilience and Wellbeing and Economy, Recovery and Regeneration.
- 3.2 It is recommended that the site is appropriated into the General Fund at market value, to enable the local community to bring forward a robust proposal for a future use of the site. This is subject to the various conditions set out in the decision box which reflect the advice of the Onion Collective, but also provide a clear time frame and a framework for the working group to work within and the confidence that if these are met, the Council will be in a position to grant an option to an appropriately constituted organisation.
- 3.3 It is also appreciated that the local community needs further support and advice in meeting these conditions and developing a proposal for the site and DHUD and the Onion Collective are continuing to provide this within the work commissioned by the Council.

4. IMPLICATIONS

4.1 Financial Implications

The site has been independently valued at £450,000. This is therefore the value that the General Fund must pay the Housing Revenue Account. This transfer of funds increases the General Fund Capital Financing Requirement, and therefore the Minimum Revenue Provision. The MRP represents the revenue cost of Council borrowing. This would require an addition to the annual Minimum Revenue Provision of £9k representing the valuation spread over 50 years. This will be included within the Medium Term Financial Plan.

The capital receipt for the transfer of £450k will be part of the HRA and with Committee approval will be used on affordable housing in the local area.

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4.2 Legal Implications

The following bullet points set out details of significant implications identified by officers:

- As it has been identified that the site will be used for purposes other than housing then it is necessary to appropriate the land from the HRA into the general fund as land allocated for HRA purposes can only be used for housing.
- Under s123 of the Local Government Act 1972, the Council may dispose of its land for any purpose, but Secretary of State consent is required for any disposal for less than the best consideration that can reasonably be obtained.
- As the appropriation will be for market value then Secretary of State consent will not be required.
- It is noted that the land has been earmarked for community use going forward. If there is an intention to dispose of the land either by way of a transfer of the land or by way of a long lease at some future point, then consideration should be given to the above mentioned requirements under s123 of the Local Government Act 1972. Secretary of State consent may be required if the intention is to dispose of the site at less than the best consideration that can reasonably be obtained. However, there is a General Consent that allows disposal for less than best consideration where the following criteria are met:
 - a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;
 - i) the promotion or improvement of economic well-being;
 - ii) the promotion or improvement of social well-being;
 - iii) the promotion or improvement of environmental well-being; and
 - b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

One Legal

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4.3 Equality Implications

There are not any specific changes to service delivery proposed within this decision. An EIA was undertaken with regard to the recommendation to Housing Committee in June 2023 to remove this site from the new build programme and is published as an appendix to that report.

4.4 Environmental Implications

There are no significant implications within this category.