

**Meeting:** Council

**Date:** 18 July 2019

**Wards Affected:** Preston and Blatchcombe

**Report Title:** Disposal of Land at Little Blagdon Farm, Collaton St Mary and Land at Preston Down Road, Paignton

**Is the decision a key decision?** Yes

**When does the decision need to be implemented?** Immediately

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## 1. Proposal and Introduction

- 1.1 Approval is sought to dispose of the Council's freehold interest in land at Little Blagdon Farm, Collaton St Mary (CSM) and at Preston Down Road, Paignton (PDR) by way of entering into a development agreement with a private sector housing delivery partner. The proposed procurement route shall be OJEU compliant.
- 1.2 The intended outcome is to deliver a fully planning policy compliant scheme for the provision of new housing at both CSM and PDR (the "Scheme").
- 1.3 The proposed disposal route shall:
  - (a) Ensure that the Council's strategic policies are fully adhered to.
  - (b) Ensure that the Council's statutory requirements are fully adhered to.
  - (c) Provide the Council with an opportunity to shape scheme outputs.
  - (d) Enable the Council to influence affordable housing split.
  - (e) Provide the Council with a capital receipt to contribute towards the capital programme.

## 2. Reason for Proposal and associated financial commitments

- 2.1 Torbay Council (the Council) was awarded £3,076,000 of Land Release Fund (LRF) grant aid by the Ministry of Housing, Communities and Local Government (MHCLG) on 8 March 2018 for the purposes of securing early release of the land at both CSM and PDR for residential development.

- 2.2 Upon receipt of the LRF award, the Council considered whether to accept the award and by doing so considered whether the release of the land was deliverable by March 2020. The award was accepted by the Council on 14 March 2018 following the agreement of the Elected Mayor and Group Leaders.
  - 2.3 The LRF grant requires that the sites are delivered to the market by March 2020. To ensure this occurs a decision on disposal of the Council's freehold interest needs to be made in July 2019 to ensure that the development partner procurement can commence and the grant conditions can be met.
  - 2.4 Bringing both sites forward for development will potentially generate a significant capital receipt for the Council in advance of what would otherwise be possible.
  - 2.5 At its meeting on 18 October 2018 the Council instructed TDA to negotiate terms for the early surrender of Torbay Coast & Countryside Trust's (TCCT's) leases on both CSM and PDR in order to obtain vacant possession and to deliver the sites to the market for residential development in accordance with LRF deadlines. A surrender was subsequently agreed for both CSM and PDR.
  - 2.6 The surrender of TCCT's leases completed on 28 February 2019 giving the Council full control of both sites.
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### **3. Recommendation(s) / Proposed Decision**

- 3.1 That the disposal of the freehold interest at Collaton St Mary and Preston Down Road (identified in Appendices 1 and 2 to the submitted report), be approved and the Chief Executive be given delegated authority to agree and finalise any Heads of Terms in consultation with the Cabinet and the Section 151 Officer.
- 3.2 That delegated authority be given to the Chief Executive to select and then enter into a development agreement with a development partner for the effective delivery of the Scheme.
- 3.3 That in furtherance of 3.1 above, the Chief Executive be given delegated authority to negotiate and agree terms for the acquisition by agreement of any land, interests or rights as may be required for delivery of the Scheme.

### **Appendices**

Appendix 1: Plan of land at Preston Down Road

Appendix 2: Plan of land at Little Blagdon Farm, Collaton St Mary

Appendix 3: Collaton St Mary and Preston Down Road Planning Statement, dated 25 June 2019

## Appendix 4: Summary of Identified Disposal Options

### **Background Documents**

Torbay Local Plan: <https://www.torbay.gov.uk/media/6836/lp-2012to2030.pdf>

Paignton Neighbourhood Plan: <http://www.paigntonneighbourhoodplan.org.uk/>

Collaton St Mary Masterplan: <https://www.torbay.gov.uk/media/6897/csm-masterplan.pdf>

National Planning Policy Framework:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/810197/NPPF\\_Feb\\_2019\\_revised.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf)

## Section 1: Background Information

### 1. What is the proposal / issue?

The Council owns the freehold of 18.38 hectares (45.4 acres) of land at CSM and 4.06 hectares (10.03 acres) of land at PDR.

PDR is identified for future housing need and CSM allocated for residential development in the Council's Adopted Local Plan (A Landscape for Success) 2012-30.

A public consultation exercise has been undertaken at CSM and its results are detailed in the Collaton St Mary Master Plan, dated February 2016 ("the Masterplan"). Proposals to bring CSM forward for residential development are in accordance with the adopted Masterplan.

The Council was awarded £3,076,000 of LRF grant aid by MHCLG on 8 March 2018 for the purposes of securing early release of the land at both CSM and PDR for residential development.

Prior to the acceptance of the LRF Grant, the Elected Mayor and the Group Leaders were consulted on proposals for CSM and PDR and it was agreed to accept the grant to assist with bringing forward these sites.

There is a clear policy expectation in the Torbay Local Plan, augmented by the Collaton St Mary Masterplan, that CSM will come forward for development. PDR is identified in the Local Plan for a potential housing allocation.

Approval to enter into a development agreement with a private sector partner for disposal of CSM and PDR is now required:

- (a) To ensure that the sites can be released to the market in accordance with timescales set out by MHCLG for the LRF funding.
- (b) To ensure that any scheme brought forwards will be fully compliant with Torbay's Housing Strategy 2015 – 2020 and the Planning Contributions and Affordable Housing SPD.
- (c) To facilitate the early release of these sites for residential development, thereby assisting the Council in meeting its 5-year residential land supply targets and helping to protect more sensitive sites from development.
- (d) To provide a financial return for the Council.
- (e) To ensure housing stock quality is maintained.
- (f) To provide the Council's proposed new housing company with an opportunity to acquire the S106 affordable housing stock at a market

	<p>rate and reduce the number of households on the housing waiting list whilst providing critical mass to the housing company. .</p> <p>A tangible benefit of progressing via the development partner route is that the Council will be able to influence the scheme to be delivered to a greater extent than if the sites were just sold on the open market. It is possible that any straight forward land disposal could see the developer apply to reduce their planning contributions and affordable housing obligations as part of their planning application.</p>
<p><b>2.</b></p>	<p><b>What is the current situation?</b></p> <p>The Government has repeatedly stated that increasing housing supply is a high priority.</p> <p>The National Planning Policy Framework (paragraph 73) requires the Council to maintain a supply of specific, deliverable sites sufficient to provide 5 years' worth of housing to meet housing requirements set out in Local Plans. The Council currently has 3.3 years' identified housing land which includes CSM. If CSM is not brought forward for development this would reduce projected housing land supply to below the 3 year threshold thereby putting the Council at risk of Government intervention to force the allocation of sites within the Torbay area.</p> <p>A planning statement detailing the Council's position regarding planning policy and housing land supply is provided at Appendix 3.</p> <p>Without a 5 year housing land supply, the Council is subject to increased risk of development occurring in locations which might not be locally palatable or being of a lower quality than that which might have otherwise been required through local policies.</p> <p>It is projected that CSM and PDR would deliver in the region of 500 new homes enabling the Council to deliver real housing growth in Torbay.</p> <p>It is envisaged that the capital receipt receivable through bringing the sites forward for development will be significant and will provide capital funding to assist the Council to meet its priorities.</p> <p><u>Collaton St Mary:</u></p> <p>The site was vacated by TCCT in February 2019. Site surveys commenced in 2018. A planning application (ref: P/2019/0478) was submitted on 2 May 2019 for creation of a new highways junction and for demolition of redundant farm buildings. Funds have been set aside to contribute towards flood alleviation works within Collaton St Mary village that benefit the wider community.</p> <p><u>Preston Down Road:</u></p> <p>The former lease to TCCT was terminated in February 2019 and TCCT currently occupies the site under licence expiring in March 2020. Site surveys commenced in 2018.</p>

<p><b>3.</b></p>	<p><b>What options have been considered?</b></p> <p>The disposal options available to the Council have been identified as:</p> <ul style="list-style-type: none"> <li>• Option 1: Do Nothing</li> <li>• Option 2: Freehold Sale</li> <li>• Option 3: Sale and Leaseback</li> <li>• Option 4: Public Private Partnership (Development Agreement)</li> <li>• Option 5: Direct Development by Torbay Council</li> </ul> <p>An analysis of these options is provided at Appendix 4.</p> <p>Based upon the evidence available we conclude that the best disposal route for the Council in order to fully meet its aims and objectives is to progress the disposal of the site via Option 4, entering into a development agreement with a private sector partner.</p> <p>This option provides capacity and expertise from the private sector whilst also allowing the Council to shape and influence the development produced and deliver a capital receipt.</p>
<p><b>4.</b></p>	<p><b>How does this proposal support the ambitions, principles and delivery of the Corporate Plan?</b></p> <p>The proposals meet the following Corporate Plan objectives:</p> <p>Ambitions: Prosperous and Healthy Torbay</p> <p>Principles:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Use reducing resources to best effect</li> <li><input type="checkbox"/> Reduce demand through prevention and innovation</li> <li><input type="checkbox"/> Integrated and joined up approach</li> </ul> <p>Targeted actions:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Working towards a more prosperous Torbay</li> <li><input type="checkbox"/> Promoting healthy lifestyles across Torbay</li> <li><input type="checkbox"/> Ensuring Torbay remains an attractive and safe place to live and visit</li> </ul>
<p><b>5.</b></p>	<p><b>How does this proposal tackle deprivation?</b></p> <p>The proposals shall result in bringing forward the early delivery of c. 500 new homes, 30% of which (c. 150 homes) will be affordable housing for local people. At least 5% of the affordable provision will be adapted accommodation for households with mobility difficulties.</p> <p>A greater housing supply within the local market will help limit future house price growth.</p>

	<p>The proposals will help ensure a mixed and balanced community, supplying housing of the right type, size and design in the right locations.</p>
<p><b>6.</b></p>	<p><b>Who will be affected by this proposal and who do you need to consult with?</b></p> <p>Extensive consultation has occurred throughout the Local Plan planning process and, in particular, the Collaton St Mary Masterplan has undergone extensive public consultation.</p> <p>Since the adoption of the Local Plan the principle of housing development in these locations appears to be accepted by the community.</p> <p>As part of the planning process the community will be fully consulted on the detail of any development proposed, however, there will be a benefit to the local community in terms of additional supply of good quality housing and an improved mix of units.</p> <p>It is anticipated that the proposed development of the CSM site will help fund flood alleviation works within Collaton St Mary village thereby benefitting the wider local community.</p>
<p><b>7.</b></p>	<p><b>How will you propose to consult?</b></p> <p>Briefings have been held with the Cabinet and Group leaders and briefings with all political groups will take place throughout the process.</p>

## Section 2: Implications and Impact Assessment

### 8. What are the financial and legal implications?

A substantial net capital receipt for the Council is envisaged. The receipt will be in excess of the costs the Council has incurred in obtaining vacant possession.

Any outgoings linked to the delivery of these developments and the financial implications are expected to be limited as the LRF can be applied to:

- (a) Implement enabling works.
- (b) Undertake a comprehensive suite of surveys thereby expediting delivery dates for bringing the site to market and reducing the risk for potential purchasers thus having a positive impact on land value.
- (c) Undertaking ecology mitigation and enhancement works to offset planning risk.
- (d) Undertaking a procurement exercise and then entering into a development agreement with a partner.

### 9. What are the risks?

If the principle of land disposal is not supported by members:

- (a) The Council may have to repay any LRF monies received.
- (b) There will be a reputational risk for the Council which may impact upon the Council's ability to access future funding.
- (c) Future grant income streams may be adversely affected.
- (d) In the absence of LRF grant aid, the Council would need to fund all of the exploratory works required to bring the sites forward for development.
- (e) If CSM and PDR are not brought forwards for development they will not be able to contribute towards the Council's 5-year housing land supply. Consequently this increases the risk to the Council of unwelcome planning applications from sites not identified in the local plan.

In making this decision the following risks have been identified, and mitigation strategies put in place accordingly:

- (a) If the Council is not in contract with a development partner by March 2020 there is a risk that unspent monies may have to be repaid to MHCLG. However, open dialogue has been maintained with MHCLG throughout the development process whom are supportive of the Council's aspirations and its progress achieved to date.

<p><b>10.</b></p>	<p><b>Public Services Value (Social Value) Act 2012</b></p> <p>The Council's procurement team has been fully consulted and all works undertaken are in accordance with the Council's financial regulations and standing orders.</p> <p>Legal advice has been procured in accordance with the Council's protocol.</p>
<p><b>11.</b></p>	<p><b>What evidence / data / research have you gathered in relation to this proposal?</b></p> <p>The proposal shall facilitate the development of c. 500 new homes. The project will help protect more sensitive sites from development and will enable the Council to influence the location for growth of the Collaton St Mary and Paignton areas.</p>
<p><b>12.</b></p>	<p><b>What are key findings from the consultation you have carried out?</b></p> <p>Extensive consultation has occurred throughout the Local Plan planning process and, in particular, the Collaton St Mary Masterplan has undergone extensive public consultation.</p> <p>The proposed development is fully compliant with Torbay's Housing Strategy 2015 – 2020 and the Planning Contributions and Affordable Housing SPD.</p>
<p><b>13.</b></p>	<p><b>Amendments to Proposal / Mitigating Actions</b></p> <p>N/A</p>

## Equality Impacts

14.	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people	The proposal shall result in the provision of better quality housing in the Paignton area and shall deliver housing stock for all age groups. As per Council policy 30% of the development will be affordable housing thus helping to deliver housing stock for local people and serving to reduce the numbers of those of the waiting list.		
	People with caring Responsibilities			There is no differential impact
	People with a disability	As per Council policy a percentage of affordable housing provided will be wheelchair adapted units.		
	Women or men			There is no differential impact
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			There is no differential impact
	Religion or belief (including lack of belief)			There is no differential impact

People who are lesbian, gay or bisexual			There is no differential impact
People who are transgendered			There is no differential impact
People who are in a marriage or civil partnership			There is no differential impact
Women who are pregnant / on maternity leave			There is no differential impact
Socio-economic impacts (Including impact on child poverty issues and deprivation)	<p>The proposal is consistent with Local Plan policies for planning for sustainable development in the Torbay area. This takes into account the overall level of housing and jobs growth to represent a balanced and sustainable approach to future growth.</p> <p>The local planning authority is required to maintain a 5 year land supply in order to deliver the strategy and policies contained in the Local Plan. Without a 5 year housing land supply, the local authority is subject to increased risk of development occurring in unsuitable locations, or being of a lower quality than that which might have otherwise been required through local policies.</p> <p>Significant social benefits will be generated by the provision of a mix of dwelling types and tenures which will encourage mixed communities and provide a range of local facilities. It is envisaged that the new development will offer the opportunity to design out crime within residential layouts and could support the vibrancy of existing local centres.</p>		

<p>Public Health impacts (How will your proposal impact on the general health of the population of Torbay)</p>	<p>The scheme shall include provision of affordable housing which is likely to reduce poverty in the area and improve health.</p> <p>There is potential to incorporate energy efficiency and micro renewable measures. The proposals will include green infrastructure and it is anticipated that the location could encourage sustainable modes of travel.</p> <p>The proposals are compliant with Policy SS11 Sustainable Communities as there will be opportunities to contribute to sustainable community objectives.</p>			
<p><b>15</b></p>	<p><b>Cumulative Impacts – Council wide</b> (proposed changes elsewhere which might worsen the impacts identified above)</p>	<p>None</p>		
<p><b>16</b></p>	<p><b>Cumulative Impacts – Other public services</b> (proposed changes elsewhere which might worsen the impacts identified above)</p>	<p>None</p>		