

REPORT TO CABINET

REPORT OF: Cllr Frances Cartwright – Economic Development Portfolio Holder

REPORT NO: AFM0098

DATE: 3rd August 2009

TITLE:	APPROVAL OF BOURNE CORE AREA SITE ACQUISITION STRATEGY & PRIORITY PURCHASE OF SITES (SUBJECT TO INDIVIDUAL NON KEY DECISIONS)	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	YES	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	CLLR FRANCES CARTWRIGHT – ECONOMIC DEVELOPMENT	
CONTACT OFFICER:	P.Stokes/L.Banner in consultation with the Bourne Core Area Project Group	
INITIAL IMPACT ASSESSMENT:	Carried out and appended to the report: N/A	Full impact assessment Required: N/A
Equality and Diversity		
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Local Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS	SKDC Asset Management Plan Bourne Town Centre Action Plan Previous non-key decisions	

1. RECOMMENDATIONS

That Cabinet approve the proposed specific Bourne Core Area Site Acquisition Strategy.

2. PURPOSE OF THE REPORT/DECISION REQUIRED

The Bourne Core Area project is a priority for South Kesteven District Council. The project has experienced delays primarily as a result of developer led projects and an uncertain economic climate. The Council remains heavily committed to this project and has increased its capital budget allocation to £1 million for each of the financial years 09/10 to 11/12 plus £125,000 to cover

fees over the next 3 years. It has also previously secured funding from Welland SSP to enable the acquisition of 3 key sites within the proposed development area.

This strategy allows possible strategic site purchase whilst the business case is being revised and updated.

The general process followed for site acquisition is in line with the Council's Asset Management Plan and links to the Capital Programme. The process is as follows:

- Strategic site identification including justification of acquisition;
- Market Research including price, condition of property etc.
- Financial appraisal;
- Discussion with owner;
- Valuation;
- Site investigations;
- Funding applications;
- Approval to purchase;
- Negotiation;
- Completion of sale;
- Recovery of external funding, monitoring & evaluation

3. STATE HOW THIS DECISION WILL CONTRIBUTE TO PRIORITY THEME

This will contribute to priorities Good for Business and Quality Living.

4. DETAILS OF REPORT (SUMMARY – USE APPENDICES FOR DETAILED INFORMATION)

A key decision within the framework of the land acquisition strategy is required in order to enable further sites within the development area to be acquired. The Bourne Core Area Site Acquisition Strategy has been developed and is appended to this report, which would enable individual sites which may become available to be purchased subject to individual non-key decisions and key decisions.

Effecting a clean site is crucial to the success of this project. Acquiring sites and conducting preliminary investigation of the site area have been recommended by developer and consultant contacts as the best way of securing a favourable and viable development.

The strategy reduces the uncertainties and consequent financial variables that would otherwise be imposed by any developer as a condition of development and facilitates the ultimate development cost to be refined ensuring a better return on investment. It also highlights areas which best consolidate the scheme and protect previous public sector investment.

5. OTHER OPTIONS CONSIDERED

Sporadic site acquisition based upon properties for sale

This could create a fragmented site and prevent phased development. This would cause significant harm to the financial viability and full deliverability of any proposed scheme. This could potentially leave ransom sites within the development.

No site acquisition

Developers will not engage seriously in a local authority led project where no significant site ownership is evident and no site acquisition strategy has been developed, without significant financial detriment to the project as a whole.

Developer led site acquisition

This is not possible as the site is complex, under multiple ownerships and likely to require compulsory purchase orders. These can only be agreed through the involvement of the local authority.

6. RESOURCE IMPLICATIONS (INCLUDING FINANCIAL, PEOPLE)

Financial

The capital programme includes £1million for each of the 3 financial years (09/10 to 11/12) period in respect of the Bourne Core Area project.

People

Full consultation will be carried out with the Bourne Core Area Project Group, with respect to any acquisitions.

7. RISK AND MITIGATION (INCLUDING HEALTH AND SAFETY AND DATA QUALITY)

Risk

There are two key risks as follows:

1. The ongoing risks of managing any financial burdens such as rentals, empty business rates, maintenance etc. This is mitigated as far as possible in whole life costing considerations prior to purchase;
2. The exit strategy encompassing a means of alternative use/disposal should the project not proceed to the desired outcomes.

Health and Safety

Considerations are taken into account regarding the state of the buildings under contemplation, by way of general dilapidation surveys and in terms of maintenance for any potential tenants.

Data Quality

Every effort is undertaken to ensure rigid data quality checks by way of site surveys and general valuation franking.

8. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

Not applicable.

9. CRIME AND DISORDER IMPLICATIONS

The Council will secure sites and ensure that vulnerability to vandalism is minimised and take into account implications of the authority's duty under Section 17 of the Crime and Disorder Act.

10. COMMENTS OF SECTION 151 OFFICER

The capital programme includes £1million for each of the 3 financial years (09/10 to 11/12) period in respect of the Bourne Core Area project. The spending plan in respect of this financial provision has not yet been determined and will need to be subject to an updated business case. The proposed strategy identifies a number of criteria measures that will need to be considered as part of any land acquisition proposals. Specifically this will include: land valuations, planning considerations, whole life costing, alternative end uses, capital financing considerations and revenue implications. These will need to be incorporated into the business case for land acquisitions proposals.

11. COMMENTS OF MONITORING OFFICER

The purpose of the strategy is to identify sites for acquisition within the Bourne Core Area. Further site acquisition should not take place until a clear up to date business case is identified in the current market with a clear end user. However it is recognised that various sites may become available in the meantime and the Council need to be in a position to proceed with purchase if the site becomes available and is strategic. Any purchase at this stage should only be made where there is a current use from which revenue can be obtained or the site will provide alternative use if the project does not proceed.

12. COMMENTS OF OTHER RELEVANT SERVICE MANAGERS

Comments of Service Manager - Planning Policy

The area of land to which the Bourne Core Area Site Acquisition Strategy relates is consistent with the area covered by Bourne Town Centre Redevelopment Supplementary Planning Guidance (SPG) following the recent adoption of a revised SPG boundary.

Comments of Service Manager – Economic Development and Town Centre Management

The development of Bourne Core Area is key to creating a vibrant and economically prosperous, growing market town. The proposed development will create an improved retail offer, providing new retailers, new businesses and new jobs, as well as improving the public realm. The model proposed in acquiring the sites within the development is the most beneficial approach to delivering the project. This is a positive move for South Kesteven District Council to delivering an improved Bourne.

13. APPENDICES:

Appendix 1: Land Acquisition Strategy for Bourne Core Area
Appendix 2: Colour coded map relating to property within the Bourne Core Area