

REPORT FOR DECISION

DECISION OF:	CABINET
DATE:	13th May 2020
SUBJECT:	Former East Lancashire Paper Mill (ELPM) Site: Budget for pre-development work
REPORT FROM:	Councillor O' Brien - Cabinet Member for Finance and Housing
CONTACT OFFICER:	Vicky Carroll – Director of Housing
TYPE OF DECISION:	CABINET - NON KEY
FREEDOM OF INFORMATION/STATUS:	This paper is within the public domain
SUMMARY:	The purpose of this report is to establish a budget allocation for expenditure on pre development work to assist with furthering the development of the ELPM site.
OPTIONS & RECOMMENDED OPTION	<p>The Cabinet is recommended to:</p> <ul style="list-style-type: none">• Approve the pre-development work as set out in the report and note that costs have already been incurred in relation to support the masterplan and the planning application;• Approve an allocation of £0.120m from the Place Shaping/Growth budget in the council's capital programme to fund all the costs;• Note the potential for a capital receipt and increased income, including that from council tax, in the future. <p>Reasons The approval of the recommendation will enable expenditure on pre development work to go ahead which will assist in furthering the development on the site.</p>

IMPLICATIONS:	
Corporate Aims/Policy Framework:	Do the proposals accord with the Policy Framework? Yes
Statement by the S151 Officer: Financial Implications and Risk Considerations:	<p>The cost of £0.120m can be met from the existing budget within the capital programme for Place Shaping/Growth.</p> <p>In the longer term the council will benefit from a capital receipt (which can be used to support the capital programme in future years) and also from an increase in council tax income that will support the council's financial strategy.</p>
Equality/Diversity implications:	None
Considered by Monitoring Officer:	<p>Yes</p> <p>This report is largely financial and as such there are no immediate legal actions or implications at this stage. Legal advice will be required once the pre-development work starts, as noted in the report.</p>
Wards Affected:	Radcliffe East
Scrutiny Interest:	

TRACKING/PROCESS

DIRECTOR: Vicky Carroll, Director of Housing

Joint Executive Team	Cabinet Member/Chair Briefed	Ward Members (if necessary)	Partners
Scrutiny Committee	Other Committee	Council	Comms

1 BACKGROUND

1.1 The former vacant East Lancashire Paper Mill site is a key site for future housing within Radcliffe. The Council own part of the site (extending to approx. 3.95 ha) which they acquired in 2008; Homes England acquired their site (14.58 ha approx.) in 2016. Over the last few years the two parties have worked together to develop a comprehensive masterplan for the site supported by various technical studies. As joint applicants, outline planning consent was

secured in December 2018 for up to 400 new homes on the site, with means of access, together with the relocation of the cricket ground on the adjoining Council owned Tower Farm site. The site is shown on the attached plan.

- 1.2 Joint working has continued with Homes England to explore the future delivery strategy for the site and to determine the arrangements between the Council and Homes England for bringing the site to market. This has included 'early market engagement' with developers from Homes England's Developer Framework Panel (DPP3).
- 1.3 Both parties have recognised however that there is a need for some further technical studies and development appraisal work to be jointly undertaken to help further de-risk and improve the market attractiveness of the site, as well as to inform the delivery strategy options. It is intended that a more detailed report on the delivery strategy will be brought back to Cabinet once this work is completed.
- 1.4 There are also associated legal, planning and marketing costs with bringing the site to market, as well as future land holding costs, associated with managing/maintaining the Council's site.
- 1.5 No specific budget has been identified for the project going forward and this report sets out the potential costs and a proposal on how this can be funded.

2 ISSUES

- 2.1 To progress the site to the next stage the following works need to be undertaken:
 - technical studies, such as updated surveys/ drainage strategies/openspace management/sports facility analysis/technical briefs
 - abnormal cost analysis and review
 - development appraisal work
 - specialist planning /marketing/ legal advice
 - land management/ maintenance
- 2.2 The anticipated costs, together with the cost of the works associated with the masterplan and the outline planning consent that have already been incurred is estimated to be £0.120m.
- 2.3 Expenditure on the joint commissioning of pre-development work is split on an agreed Equalisation Rate with Homes England relating to the size area of our respective land holdings. With regards to any specific land holding costs, these would be attributable to our site's ownership only. The costs in this report reflect the council's share.
- 2.4 The council created a Place Shaping/Growth budget as part of its 2019/20 Capital Programme to support the development of borough wide sites to offer housing and business growth and develop a one public estate approach to the council and partner organisations. At that time, it was envisaged that schemes meeting the criteria would be brought forward for consideration and approval by Cabinet. To date, the budget has not been fully committed. This scheme meets the criteria and is therefore proposed that an allocation from the fund be made to support all the costs.

- 2.5 In the longer term it is anticipated that the council's interest in the land will be sold and a capital receipt will be generated. The scale of the receipt is not yet known however it will be available for the council and will support the capital programme in future years. The council will also benefit from the growth in housing, in particular through increased council tax income. This however will only be realised should the council continue with the required pre-development work.

3 OTHER CONSIDERATIONS

- 3.1 The redevelopment of the ELPM site for housing is integral to the future regeneration of Radcliffe, as well an important contributor to Bury's wider housing growth agenda. In particular, the site's redevelopment project will be developed through the full planning process to support the Radcliffe Strategic Regeneration Framework, currently being produced.
- 3.2 Establishing a budget for expenditure on pre development work on the site will assist in determining the delivery strategy and further the development on the site.

List of Background Papers:-

Planning Applications Report: Application No Ref 62969: Planning Control Committee - December 2018

Contact Details:-

Julie Palmer, Housing Growth and Development Manager
Tel 0161 253 7863