

BROMSGROVE DISTRICT COUNCIL

CABINET

2 February 2011

RECREATION ROAD MARKETING EXERCISE – INCLUSION OF A BDC ASSET – RECREATION ROAD NORTH CAR PARK

Relevant Portfolio Holder	Cllr Del Booth
Relevant Head of Service	John Staniland
Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 The Area Action Plan has identified Recreation Road as the potential site for regeneration as an Extra-Care Village. A consortium of Private and Public landowners along Recreation Road has been created.
- 1.2 The consortium intends to conduct a marketing exercise of the site to ascertain interest from developers and care operators. It is proposed that the small Recreation Road North Car Park owned by Bromsgrove District Council is included in the marketing exercise.

2. RECOMMENDATIONS

- 2.1 **That Cabinet approve in principle the incorporation of the Recreation Road North Car Park within the Recreation Road Consortium's proposed marketing exercise for the Recreation Road Development Site.**
- 2.2 **That Cabinet notes that the marketing is to be carried out by the commercial property consultant engaged by the Consortium, John Dillon.**
- 2.3 **That Cabinet delegates authority to the Regeneration Programme Manager to finalise and sign the agreement for the marketing exercise.**

3. BACKGROUND

- 3.1 The Recreation Road development site runs along the length of the road, which is orientated on an East/West axis and is currently open to two-way traffic running. The site currently consists of 8 separately owned plots with a variety of land uses in evidence.
- 3.2 One of the 8 plots is the long stay 'Recreation Road North' Long Stay Car Park owned by Bromsgrove District Council.
- 3.3 The Recreation Road development site has been included within the Bromsgrove Town Centre Area Action Plan and will be developed as high density residential. It has been classified as C2/C3 to provide for a

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- retirement living complex. It is intended that this would primarily be an 'Extra-Care' facility.
- 3.4 There is very little retirement accommodation in Bromsgrove at present. There is however a great demand for it. There is a particular need for Extra Care provision, which allows older people to maintain independent living in a supported environment. Any such development would have a suitable proportion of shared ownership to ensure adequate affordable housing is provided.
- 3.5 The site is adjacent to a residential area. Its proximity and ease of access of this site to the Health Centre, Recreation Ground, car parking, and the Town Centre, makes it an ideal location for an Extra Care development.
- 3.6 The site is currently in mixed ownership, with approximately half of the land area owned by the Public Sector. The marketing of the site as one area would make the proposed scheme deliverable in early phases of the overall town centre development plan.
- 3.7 It also means that the value of the District Council land can be fully realised. As a small 'stand-alone' site it has limited potential for redevelopment and hence limited value. Failure to include it within the overall development site, would severely compromise the ability to regenerate this key area of the Town Centre. The amenity needs of older people within an Extra-Care development may also provide an opportunity to upgrade the Recreation Ground as part of the overall development proposition for the area.
- 3.8 The Area Action Plan proposes a rationalisation of car parking provision in the town centre. The Recreation Road North Long Stay Car Park currently only operates at an average 50% capacity and the spaces lost in its redevelopment will be compensated for redirecting vehicles to the under-used Churchfields Multi-Storey, thereby mitigating any loss of car parking revenue.
- 4. KEY ISSUES**
- 4.1 Appendix A shows the landownership along Recreation Road. The Town Centre Regeneration Team together with County Council Property Services have facilitated the creation of a Public/Private 'Recreation Road Consortium' to allow for the pooled redevelopment / regeneration of different land holdings along Recreation Road, rather than a piecemeal approach across 8 separate sites.

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- 4.2 The final make up of the Consortium will be dictated by the yield the joint development approach will realise. The Consortium has therefore committed to undertaking a three-month marketing exercise with the costs divided depending upon each owner's specific area of land. They wish to use JP Dillon Commercial Property Consultants for this purpose as he already represents private interests along Recreation Road.
- 4.3 JP Dillon's rates are equivalent to other commercial agents.
- 4.4 Cabinet are therefore being asked to approve the inclusion of the car park within this marketing exercise of the site.
- 4.5 A further Cabinet Report will be submitted with the results of the Marketing Exercise and if appropriate to consider the sale of the Car Park within a formal Consortium arrangement.

5. FINANCIAL IMPLICATIONS

- 5.1 The lowest forecast price per acre is predicted to be £1 million per acre. At this rate BDC would potentially enjoy a capital receipt of approximately £330,000, subject to environmental surveys and site preparation costs. However the marketing exercise will seek to ascertain what higher yield, if any, is possible.
- 5.2 The cost of this initial phase of the marketing of the site to Bromsgrove District Council (being the smallest land owner within the Consortium) will be relatively small; £441.25. This will be covered by the Town Centre budget.
- 5.3 A marketing agreement document for the landowners to sign has been drafted by Worcestershire County Council and approved by the Recreation Road Consortium. Sarah Sellers, Senior Solicitor, has approved the document on behalf of Bromsgrove District Council.

6. LEGAL IMPLICATIONS

- 6.1 None as a result of this report other than the commitment to pay the share of the marketing costs indicated. Any consideration, decision or agreement to sell the Car Park land as a result of the marketing exercise will be subject to a further Cabinet Report.

7. POLICY IMPLICATIONS

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- 7.1 Meets the Council priority of improving the Town Centre viability.

8. COUNCIL OBJECTIVES

- 8.1 Town Centre Regeneration

9. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

- 9.1 These risks are being controlled within the overall Risk and Issues Register of the Town Centre Regeneration Programme, which is managed by the Regeneration Programme Manager and overseen by The Town Centre Steering Group, the Portfolio Holder and the Head of Service.
- 9.2 If this marketing exercise is not commenced now, there is a danger of the various land owners selling their sites separately, which would lead to piece-meal developments. This would prevent an early and co-ordinated regeneration opportunity via a pooled development and the loss of the potential extra-care village from Bromsgrove Town Centre.
- 9.3 A separate disposal of the BDC owned car park may risk a lower yield as the size of the site does not lend itself to a stand alone redevelopment and therefore may be worth more as part of a larger site.

10. CUSTOMER IMPLICATIONS

- 10.1 The Housing Strategy Manager and Bromsgrove District Housing Trust (BDHT) have shown that there is a demand for such a facility in Bromsgrove due to the ageing demographic of the district.

11. EQUALITIES AND DIVERSITY IMPLICATIONS

- 11.1 The completion of a marketing exercise will gain interest from developers regards the development of a Care Village or retirement facility. The next step would be the sale of the site and development of the facility following Planning Approval, which will ensure a sufficient affordable element in included in the plans.
- 11.2 The creation of such a facility within the town centre will mean that the older community and those with disabilities would have the option of

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receiving the care they require in a convenient location i.e. close to the High Street and new Health Centre, and opposite a green open space.

12. VALUE FOR MONEY IMPLICATIONS, PROCUREMENT AND ASSET MANAGEMENT

- 12.1 The Consortium's selection of JP Dillon Commercial Property Consultants is being verified by Bromsgrove District Council to ensure that the fees are competitive.

13. CLIMATE CHANGE, CARBON IMPLICATIONS AND BIODIVERSITY

- 13.1 The expected carbon footprint of a new Care Village / retirement facility would be examined during the Planning process.

14. HUMAN RESOURCES IMPLICATIONS

- 14.1 Some work has been required for the Legal Department during the process.

15. GOVERNANCE/PERFORMANCE MANAGEMENT IMPLICATIONS

- 15.1 The Governance and Performance Management of the Regeneration Programme is managed by the Regeneration Programme Manager and overseen by The Town Centre Steering Group, the Portfolio Holder and the Head of Service.

16. COMMUNITY SAFETY IMPLICATIONS INCLUDING SECTION 17 OF CRIME AND DISORDER ACT 1998

- 16.1 A new Care Village / retirement facility will be designed with Community Safety and Crime Reduction in mind; these will be considered during the Planning process.

17. HEALTH INEQUALITIES IMPLICATIONS

- 17.1 The new Bromsgrove Health Centre is adjacent to the proposed development site, meaning that the occupants, who will be some of the frailer and more vulnerable members of the Community, will be next door to 'state of the art' Health Care.
- 17.2 The Recreation Ground will have an important role to play for the whole development proposition in the area by contributing to the green and open

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space amenity value for the occupants of the Care Village. This should also help ensure a quality space for all residents of Bromsgrove.

18. LESSONS LEARNT

- 18.1 Benchmarking is being carried out to ensure that the costs of the marketing exercise is competitive.

19. COMMUNITY AND STAKEHOLDER ENGAGEMENT

- 19.1 The marketing of the Recreation Road site has been discussed for some months at the Bromsgrove Town Centre Steering Group, which is attended by Cllrs Hollingworth, Dent and Tibby, Kevin Dicks, John Staniland, and others. The portfolio holder Del Booth has also been kept informed.
- 19.2 The Recreation Road development site is also included within the Town Centre Area Action Plan, which is due to be released during January 2011 for public consultation. This document has been the subject of wide public consultation and also discussed and approved by a variety of groups; namely:
- Bromsgrove Town Centre Steering Group
 - Bromsgrove District Council Cabinet
 - Local Development Framework Working Group
 - Town Centre Stakeholder's Forum

20. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	Yes – via Town Centre Steering Group
Executive Director (S151 Officer)	Yes – via Lead Solicitor
Executive Director – Leisure, Cultural, Environmental and Community Services	No
Executive Director – Planning & Regeneration, Regulatory and Housing Services	Yes
Director of Policy, Performance and Partnerships	No

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Head of Service	Yes
Head of Resources	No
Head of Legal, Equalities & Democratic Services	Yes – via Lead Solicitor
Corporate Procurement Team	Yes – via Lead Solicitor

21. WARDS AFFECTED

- 21.1 A new Care Village / retirement facility would be in the St Johns Ward. However, the entire district would benefit from such a facility.

22. APPENDICES

Appendix 1: Site Plan of Recreation Road

Description: A Plan of the properties currently located along Recreation Road

23. BACKGROUND PAPERS

Bromsgrove District Council Cabinet Report November 2007

24. KEY

Not applicable

AUTHOR OF REPORT

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