

Public Document Pack

Southend-on-Sea Borough Council

Legal & Democratic Services

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20 February 2020

Dear Councillor

CABINET - TUESDAY, 25TH FEBRUARY, 2020

Please find enclosed, for consideration at the next meeting of the Cabinet taking place on Tuesday, 25th February, 2020, the following report(s) that were unavailable when the agenda was printed.

Agenda No Item

13. **Seaway Car Park**
Report of Executive Director (Finance and Resources)

Colin Gamble
Head of Democratic Services

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Southend-on-Sea Borough Council
Report of Executive Director (Finance and Resources)
To
Cabinet
On
25 February 2020

Report prepared by:
Alan Richards, Director of Property and Commercial

**Agenda
Item No.**

Seaway Car Park
Policy and Resources Scrutiny Committee
Cabinet Member: Councillor R. Woodley

A Part 1 (Public Agenda item).

1. Purpose of Report

To update Cabinet on the current situation in relation to the Seaway Car Park.

To present options to enable Cabinet to decide how it wishes to proceed in relation to the proposed development of the Seaway Car Park and associated land (“the Development”) and the Agreement for Lease and Sale dated 10 December 2014 made between the Council and Turnstone Southend Limited (“Turnstone”) (and subsequently varied on 2 May 2019 pursuant to minute 605 of Cabinet 17 January 2019, minute 668 of Policy and Resources Committee 30 January 2019 and minute 734 of Full Council 21 February 2019) hereinafter referred to as “the Agreement”.

It is important to note that this report deals with the proposed Development in the context of the Council’s land ownership, regeneration and economic development responsibilities. While the strategic planning context will be mentioned in this report, the planning application deferred on 15 January 2020 for the Development (Ref: 18/02302/BC4M) must be considered quite separately by the Council as local planning authority through the Development Control Committee. Notwithstanding this, the fact that the Development Control Committee deferred a decision has important implications in terms of the Agreement.

2. Recommendations

- 2.1 To note that unless either party takes a decision to terminate, the Agreement for Lease and Sale dated 10 December 2014 made between the Council and Turnstone Southend Limited (and subsequently varied on 2 May 2019 pursuant to minute 605 of Cabinet 17 January 2019, minute 668 of Policy and Resources Committee 30 January 2019 and minute 734 of Full Council 21 February 2019) (“the Agreement”) for the development of the Seaway Car Park and associated land (“the Development”) remains in full legal force.**

2.2 That Cabinet decides how to proceed; the options being:

2.2 (a) Option 1 – Terminate - That the Council serves notice to terminate the Agreement on the grounds that Turnstone has not satisfied the conditions for which they are responsible, in particular the Planning Condition requiring planning consent to be in place, or for an appeal against a refusal to be underway, at or before 5pm on 17 January 2020, bringing the relationship with Turnstone to an end for this scheme.

2.2 (b) Option 2 – Maintain Support - That the Council maintains its support for the Development and does not serve notice to terminate the Agreement at least until such time as the final decision has been made on the planning application 18/02302/BC4M.

Such support would be maintained on the basis of:

- the economic case including the significant job opportunities that the Development will bring
- the contribution to the Council's published Ambition and Outcomes
- the level of commitment made by the Council and Turnstone
- the desire to maintain the currently committed tenants
- the progress which has been made to date
- the reduced risk of the Homes England funding claw back

While the planning appeal is running, to progress negotiations with Turnstone about the possibility of a lease-wrapper/income strip lease model to accelerate delivery and provide additional rent for the Council through a different model and any other matters which would accelerate delivery.

2.3 In reaching a decision on how to proceed, consideration must be given to the risks in relation to the Homes England Funding in relation to 1-3 Herbert Grove, 29 Herbert Grove and the Rossi Factory (31 Herbert Grove) and future potential funding as referred to at various points in this report and set out in detail in the 17 January 2019 Cabinet report.

3. Summary of previous key decisions:

3.1 The principle of pursuing Government funding for the acquisition of the Rossi Factory (31 Herbert Grove) and 29 Herbert Grove was agreed by Standing Order 46 (SO.46) on 27 September 2005. The details of the acquisition were then agreed pursuant to SO.46 on 26 January 2007 when the funding was confirmed.

3.2 The acquisition of 1-3 Herbert Grove, again with Government funding, to further support the regeneration and development of Seaway Car Park was agreed at Cabinet 19 February 2008 (minute 1000 refers).

3.3 On 29 November 2012, the Economic & Environmental Scrutiny Committee considered a pre-Cabinet scrutiny report on the Seaway Car Park Development. (Minute 544 refers).

3.4 On 8 January 2013 the Cabinet agreed the principles of an Agreement with Turnstone for the development of the Seaway Car Park: Minute 637 refers. The

Cabinet decision was noted at Economic & Environmental Scrutiny Committee on 31 January 2013 (minute 744 refers).

- 3.5 On 28 February 2013 the Council noted the minutes 637 and 744 referred to above (minutes 790 and 816 refer).
- 3.6 The final details of the agreement with Turnstone were agreed under SO 46 signed by Councillor Woodley as Leader of the Council in November 2014. This was reported to Cabinet on 6th January 2015 (minute 533 of Cabinet refers). The SO.46 letter records that various “all-Member” briefings had been held and that the terms had been endorsed at the Group Leaders Briefing on 19 July 2013.
- 3.7 On 17 January 2019 Cabinet agreed a report recommending the End Date be extended until 17 January 2020 and the minimum number of parking spaces be increased from 480 to 542 and some other terms be amended as set out in the report (minute 605 refers). The matter was then considered at Policy and Resources Scrutiny Committee together with a substantial amount of supplementary information following further questions. The matter was referred up to Full Council (minute 668 refers) where it was further debated and where Councillors voted 34:12 to note the report and the recommendations made in it (minute 374 refers).
- 3.8 See also the information on the Council’s website¹ which includes links to the key minutes above.
- 3.9 The Agreement was varied on 2 May 2019 to deal with the amendments agreed in the report referred to at 3.7 above.
- 3.10 Most of the key terms of the Agreement are in the public domain. However a few elements remain commercially confidential. It is important that the Council strikes an appropriate balance between transparency and commerciality and the Council’s approach in this case has been upheld by the Information Commissioner.

4. Background and Contractual Summary:

- 4.1 The report to [Cabinet on 17 January 2019](#) and referenced as a background paper together with the supplemental information presented to [Policy and Resources Scrutiny Committee on 30 January 2019](#) provide a full and comprehensive explanation of the background and the contractual position as it was prior to the Deed of Variation being completed on 2 May 2019 which documented the amendments agreed in that report.

5. The Current Position including the Conditions in the Agreement

- 5.1 The Council has discharged its primary conditions in the Agreement by relocating the coach parking and ensuring that the former waste depot is no longer operationally required. The Council is now also in a position to satisfy the conditions relating to the Homes England funding and the Car Park Closing Order

¹ Seaways information on the website including FAQs
https://www.southend.gov.uk/info/100003/communities_neighbourhoods_and_the_environment/873/sea_way_project/2

when required. It should be noted that these conditions were not formally satisfied before the End Date.

- 5.2 Turnstone has not yet satisfied any of its conditions under the Agreement although it should be noted that the 'Planning Condition' is the primary condition and most of the others flow from the satisfaction of this.
- 5.3 The Planning Condition requires a planning permission acceptable to Turnstone to be in place and free from planning challenge by the End Date (now 17 January 2020). This has not been satisfied.
- 5.4 Turnstone submitted a planning application to the Council in December 2018 for planning permission for the Development (Ref 19/02302/BC4M). Following two rounds of consultation and the submission of additional information, the application was scheduled to be considered at Development Control Committee (DCC) on 27 November 2019. However this had to be delayed following an application by RPS on behalf of Stockvale to challenge the Council's decision that an Environmental Impact Assessment (EIA) was not required. The Secretary of State subsequently confirmed that the Council's decision (17/01463/RSE) was correct and that an EIA was indeed not required so the application could again proceed to be considered at DCC. Turnstone agreed an extension of the prescribed period for a decision on the application to be made until 15 January 2020. However at the meeting on 15 January, DCC decided to defer a decision.
- 5.5 At 16:53 on 17 January 2020, Turnstone submitted an appeal to the Secretary of State under s.78 (2) of the Town and Country Planning Act 1990 on the grounds that the Council had failed to determine the planning application. However the Planning Inspectorate informed Turnstone's planning agents that certain prescribed documentation had not been sent with the appeal notice and therefore advised that the "appeal is not currently considered valid". In any event as there has been no appeal against an actual refusal of planning permission (the appeal being for non-determination) by the End Date of 5pm on 17 January 2020, the circumstances to trigger an automatic extension to this End Date have not arisen. Accordingly the right for either party to terminate the Agreement has therefore come into effect. Turnstone has been notified that this is the Council's interpretation although they do not agree with it. The Council is advised that Turnstone has now supplied the information to the Planning Inspectorate and that the appeal has been validated (ref: APP/D1590/W/20/3245194).
- 5.6 At this point it is important to note that simply because the Council has the right to terminate, does not mean that it must, or that it should terminate the Agreement. It is important that the Cabinet considers all the matters set out in the 17 January 2019 report in relation to the benefits of the scheme (as well as any downsides) particularly:
- the significant contribution that the proposed Development is expected to make to the delivery of the Southend 2050 Outcomes and the associated regenerative and growth benefits for residents and businesses
 - the positive impact on the town centre and the financial benefits to the Council and the borough as a whole derived through the substantially increased business rates income and the long-term rental income under the lease.

- the importance of the attractiveness of Southend as a place where businesses are prepared to invest; and
- the risks associated to the Homes England funding related to the scheme.

5.7 It is crucially important that Southend builds and maintains a reputation for supporting investment and delivering economic growth to match the population growth and that it does not get left behind neighbouring areas. For example, the Bond Street development has been relatively recently delivered in Chelmsford and Basildon is on-site with its town centre Cinema anchored scheme. Both of these will undoubtedly draw business away from Southend generally and specifically from the town centre unless something is done to enable it to compete in terms of a year-round, all weather leisure offering which holds residents and their spend locally whilst at the same time drawing in spend from a wider catchment.

5.8 It remains the case that the expected benefits associated with delivery of the proposed Development are significant and will make a valuable contribution to the local viability and vitality of the town centre. At a strategic level, the proposed Development will support net additional employment and growth in the borough and more widely in the regional economy giving rise to increased spending in the town centre and seafront areas.

These expected benefits include the benefits for the local economy as set out in the 17 January 2019 Cabinet Report, including:

During Construction:

- Construction and fit out capital expenditure of £47m supporting the equivalent of **94 Full Time Equivalent (FTE)** direct and indirect jobs during the 18 month construction phase.
- Using the average Gross Value Added (GVA) per worker, approximately **£4.4m GVA in the local economy** over the construction period.

Future Operational Phase:

- Based on the proposed floor space, between **270 and 323 FTE net additional jobs** created delivering an additional annual **GVA of between £12.6m and £15.1m** to the local economy.
- Estimated increase in expenditure across accommodation, leisure, food and beverage, cinema and family entertainment resulting in **turnover of between £15.4m and £16.8m annually**.

Linked trip and tourist expenditure:

- Linked trip potential to the town centre estimated at **£1.5 to £1.7m**
- Additional tourism spend estimated at **£0.77m to £0.84m**

Car Parking

- 5.9 The Development enables the land to achieve its full potential, providing year-round, all weather opportunities for residents and visitors alike. It also provides a substantial quantity of publicly available car parking. There will be days when seafront car park demand exceeds capacity. Therefore whilst it is important to maintain capacity in the central seafront area to support residents, workers, visitors and local businesses, it is also important to balance this with an alternative and wider offering so that the full economic and development opportunity presented by this land can be optimised and its full potential achieved.
- 5.10 The thrust of the objection from some seafront traders is related to the parking provision which is of course a key issue for the Council as well as for objectors. The following paragraphs explain why it is considered that the Development proposed delivers sufficient parking.
- 5.11 The current scheme provides 555 spaces which is considerably more than was provided at Seaways until the Council moved the coach parking away and provided additional car parking on a temporary basis. Few of the leisure uses on the seafront provide any significant amount of parking and many have none at all in comparison to the proposed Development where there is a significant provision.
- 5.12 There is already significant public parking available in the vicinity including at Warrior Square, Tylers Avenue/York Road, Alexandra Street, Clarence Road, The Royals and Fairheads Green car parks which are all within a 10 minute walk² of Seaway Car Park. The Gasworks car park is also within a 10 minute walk which has planning permission for 283 car parking spaces and 27 coach bays of which a substantial number have been constructed already with more to follow and assurance has been given that this car park will remain for at least 1 season after the Development at Seaways is open and operational.
- A further 116 additional on-street parking spaces have been identified and created in the last 18 months consisting of:
- 23 new pay and display bays created in Lucy Road by removing yellow lines and amending the taxi rank.
 - 14 shared parking bays available for resident permit holders or pay and display
 - 93 new pay and display parking bays in Clifftown Parade, Station Road and Cambridge Road.
- 5.13 Furthermore, the Council is looking at the viability of increasing the parking capacity at Tylers Avenue/York Road following the completion of the Government-funded right-turn lanes into Warriors and Tylers which make it easier to access these car parks. The junction priorities at Chancellor Road have also been adjusted to improve access to the Royals car park.
- 5.14 None of the proposed sub-tenants for the Development have identified lack of parking in the scheme as an issue, although some seafront traders have done so.

² Google maps walking distances

5.15 In any event, the Council must look at what is best for the town as a whole, for its residents and its visitors and the economic impacts. The car parking provision must be viewed in that context. The prospect of rejecting such significant investment in new facilities with the associated job creation and economic benefits together with the substantial quantum of parking included is a decision which must not be taken lightly. The town centre desperately needs reinforcement and the Seaway development can be an important contributor to this.

6. Options for Cabinet to consider.

The main options available to the Council are set out at recommendations 2.2 (a) and (b) of this report and expanded upon below:

6.1 Option 1 – Terminate (Recommendation 2.2(a)) - That the Council serves notice to terminate the Agreement on the grounds that Turnstone not satisfied the conditions for which they are responsible, in particular the Planning Condition requiring planning consent to be in place, or for an appeal against a refusal to be underway, at or before 5pm on 17 January 2020, bringing the relationship with Turnstone to an end for this scheme.

Considerations in favour of this option:

- Opposition to the Development is principally from Stockvale Group and a small number of seafront traders who have campaigned hard for the Development to be stopped. Termination would satisfy these objectors and give the opportunity to consider an alternative scheme. However the strategic planning context and aspiration for this site is very clear and the proposed Development is a good strategic fit.
- Some seafront traders and other businesses have contended that the proposed development would be detrimental to their businesses. However it should be noted that the proposed uses do not replicate the current seafront offer.
- The site could be left as a public car park leaving the land available for development at a future date
- The Coach Parking could be reinstated at Seaway and the Gasworks car park developed.
- A number of Coucillors supported the previous extension on the basis that it would be the last chance.

Considerations against this option:

- Risk to delivery of Southend 2050 Outcomes and a key scheme on the roadmap
- A significant amount of commitment on behalf of the Council and Turnstone would be wasted and terminating the Arrangement with Turnstone would also mean terminating the arrangements with Sub-tenants which would be hard to resurrect or otherwise maintain
- The Council will soon become wholly reliant on Business Rates, Council Tax and income from commercial sources. The proposed development is forecast to significantly increase the Council's current net income by moving from parking income to income from business rates and rent.

- The scheme is forecast to deliver significant economic benefits which would not otherwise be secured including large numbers of jobs for local people and revenue to town centre and seafront businesses through linked trips and spend.
- There is a risk that Homes England may require the repayment of the funding provided to acquire 1-3 Herbert Grove, the former Rossi Factory and 29 Herbert Grove unless there is a demonstrable commitment to continue to try to secure a comparable scheme.
- The Agreement provides for an overage arrangement to provide funding with which the Council could deliver on the 'Spanish Steps' vision if the scheme is sufficiently profitable.
- There is a significant and growing number of local businesses who would be very concerned if the Development was lost. They believe that the scheme will be very beneficial – even essential - for the town centre and the borough to grow and thrive.
- The Council would not be able to recover the sums due to it at the point the Agreement becomes unconditional; the coach relocation contribution of £100k and the Rossi Factory demolition cost of £113k.
- There is a risk of legal challenge from Turnstone. However, given the Council's support for the scheme to date over the long term and the fact that the Agreement has been varied and extended already, it is considered the Council could robustly defend any such challenge. The reputational implications probably present a greater short-medium term risk.

Other considerations:

- While the Council could market the opportunity, the Seaway site will have suffered a degree of blight and given the current planning uncertainty it is likely to be a significant challenge to secure an alternative developer at all, let alone on comparable or better traditional terms. Potential sub-tenants will also have regard to the background in considering whether to commit to any comparable scheme.
- If the Agreement is terminated, there are reputational risks for the Council which could well affect other potential developments in the borough. At a time when the Council is eager to drive much needed development and economic growth forward; this would be unfortunate. This position has been informed by informal views expressed through conversations with developers and property consultancy firms.
- If the Council is seen to take a hard line on developers in spite of very substantial financial commitment and this could have implications for others considering investment in the borough, particularly on larger schemes. The Council should take a firm, considered, fair and consistent approach.
- In current market conditions delivering the proposed Development has some challenges. However other authorities are finding different ways to enable such development to proceed as mentioned elsewhere in this report.
- The benefits of terminating are not clear and the balance of advantage to the town must be considered. The Council must take a view of what is in the best interest of the borough. Simply terminating the Agreement leaves the Council without a fall-back position in relation to this site and puts the existing tenant commitments at risk.
- Whilst an extension to 17 January 2020 was agreed, the planning process has been running through this entire period. This is still not resolved as explained above.

6.2 - Option 2 – Maintain Support (Recommendation 2.2(b) - That the Council maintains its support for the Development and does not serve notice to terminate the Agreement at least until such time as the final decision has been made on the planning application 18/02302/BC4M.

Such support would be maintained on the basis of:

- **the economic case including the significant job opportunities that the Development will bring**
- **the contribution to the Council’s published Ambition and Outcomes**
- **the level of commitment made by the Council and Turnstone**
- **the desire to maintain the currently committed tenants**
- **the progress which has been made to date**
- **the reduced risk of the Homes England funding claw back**

While the planning appeal is running, to progress negotiations with Turnstone about the possibility of a lease-wrapper/income strip lease model to accelerate delivery and provide additional rent for the Council through a different model and any other matters which would accelerate delivery.

Considerations in favour of this option:

- Turnstone, which has invested c.£1.4m to date, has lodged a planning appeal which has been validated and they have demonstrated their intention to pursue the appeal and press ahead with the scheme. Incidentally there is significant advantage in the site benefitting from Planning Permission regardless of the contractual position with Turnstone.
- The Council is seen to support a major investment in the town centre with all the associated economic benefits.
- Turnstone has already invested c.£1.4m in the scheme and the Council has committed a significant resource to the project and this option would enable that investment to be built upon rather than lost.
- Under this option, the sub-tenants which are already committed to Turnstone for the scheme including Hollywood Bowl, Empire and Travelodge would not be put at unnecessary risk.
- In the short-medium term, the Turnstone development offers the best option for the development of the site with its associated investment in the town centre at a time when it is much needed.
- The Council would recover the costs in relation to the costs of demolishing the Rossi Factory and the Coach Park relocation contribution from Turnstone.
- While the planning appeal process runs its course, the Council and Turnstone would look at additional and/or alternative leasing arrangements which could help to accelerate delivery. Any such arrangements could provide significant financial benefits, including increased income and the ability to own the scheme outright after 35 years. This would need to be in the Council’s interest, be financially sustainable in the long term and secure delivery. Cabinet approval would also be required for any significant changes.
- There may be potential for the rent to the Council to be increased and for that income and the business rates income to be accelerated under different arrangements if these can be achieved within the procurement constraints. For example, a number of similar schemes in other towns across the country have

been converted to income-strip lease arrangements. These include cinema schemes in Rochdale, Stevenage and Durham with the local authorities underwriting them to enable and accelerate delivery and secure significantly improved income and the substantial economic and other benefits, with the Council having the option of owning the entire scheme after 35 years. A similar arrangement could be considered here if it could be demonstrated to be financially sustainable and commercially viable.

- Southend's reputation in the commercial and property investment sector is perceived as one which is supportive and welcoming of investment aligned with the 2050 ambition.
- The Council has already recognised the macro-economic and scheme specific reasons for the delay and so this position would continue to be reflected.
- The significant economic benefits would still be delivered.
- The Homes England funding risk and the Council's potential reputational damage would both be mitigated.
- It would prevent the site from being blighted and give delivery a better prospect of success.
- The risks of legal challenge from Turnstone (considered low in terms of likelihood and likely success) is reduced.

Considerations against this option:

- The Council has already exercised considerable goodwill through the previous contract extension and is not required to do so again. A number of Councillors supported the previous extension on the basis that it would be the last chance.
- The Council is seen to be less robust on developers in spite of non-delivery. It is also seen to appreciate the challenges of the delivery of major schemes and the market influences at play.
- The risk profile associated with any different agreement such as an income strip is different and would require careful analysis.
- This option would undoubtedly lead to continuing objection from a small number of businesses.

Other Considerations:

- The Council is not obliged to terminate the Agreement, neither does it automatically come to an end. A decision by either the Council or Turnstone is required to effect a termination.
- The Council could try to acquire land to deliver the 'Spanish Steps' which could be included in any future development opportunity. Such a feature can of course be delivered separately and is not an inherent part of the scheme although the current Agreement does provide a mechanism which gives rise to the potential for overage to meet the cost of doing this.
- Procurement considerations, financial implications and planning risk would need to be carefully examined.
- Any changes to the key elements of the Development would not only necessitate a renegotiation of the terms but also the submission of a fresh planning application would almost certainly be required.
- There will undoubtedly continue to be opposition to the Development from the vocal objectors although there is an increasing weight of support for the scheme from other businesses.

7. Other Options.

A - That the Council does not serve notice to terminate and maintains its support for the Development but does not seek to secure any benefits by renegotiation.

This option is not dealt with in detail because it does not do anything to help or accelerate delivery.

B - That the Council serves notice to terminate as at 2.2(a) above and then separately enters into negotiations with Turnstone for alternative arrangements.

This option is not dealt with in detail because terminating the Agreement will put current sub-tenant commitments at risk and would only cause complications.

8 Reasons for Recommendations.

8.1 To enable Cabinet to decide how it wishes to go forward.

9. Corporate Implications

9.1 Contribution to Council's Ambition and 2050 Outcomes

Southend 2050 Ambition – the relevant sections are emboldened below:

Our ambition The year is 2050.

How does our borough, Southend-on-Sea, look and feel?

Inevitably the place has changed a lot since the early years of the century, but we've always kept sight of what makes Southend-on Sea special. **Prosperous** and connected, but with a quality of life to match, Southend-on-Sea has led the way in how to **grow a sustainable, inclusive city** that has made the most of the life enhancing benefits of **new technologies**.

It all starts here - where we are known for our creativity, our cheek, our just-get-on-with-it independence and our welcoming sense of community. And so, whilst the growth of London and its transport network has made the capital feel closer than ever, we cherish our estuary identity - **a seafront that still entertains** and a coastline, from Shoebury garrison to the fishing village of Old Leigh, which always inspires. We believe it's our contrasts that give us our strength and ensures that Southend has a vibrant character of its own.

- **Pride and Joy: People are proud of where they live – the historic buildings and well-designed new developments, the seafront and the open spaces. The city centre has generated jobs, homes and leisure opportunities, whilst the borough's focal centres all offer something different and distinctive.** With its reputation for creativity and culture, as well as the draw of the seaside, Southend-on Sea is a place that **residents and visitors can enjoy in all seasons**. Above all we continue to cherish our coastline as a place to come together, be well and enjoy life.

- **Safe and Well:** Public services, voluntary groups, strong community networks and **smart technology** combine to help people live long and healthy lives. Carefully planned homes and **new developments have been designed to support mixed communities and personal independence, whilst access to the great outdoors keeps Southenders physically and mentally well.** Effective, joined up enforcement ensures that people feel safe when they're out and high quality care is there for people when they need it.
- **Active and Involved:** Southend-on-Sea has grown, but our sense of togetherness has grown with it. That means there's a culture of serving the community, getting involved and making a difference, whether you're a native or a newcomer, young or old. This is a place where people know and support their neighbours, and where we all share responsibility for where we live. **Southend in 2050 is a place that we're all building together – and that's what makes it work for everyone.**
- **Opportunity and Prosperity:** Southend-on-Sea and its residents benefit from being close to London, but with so many **options to build a career** or grow a business locally, we're much more than a commuting town. Affordability and accessibility have made Southend-on-Sea popular with start-ups, giving us the edge in **developing our tech and creative sectors, whilst helping to keep large, established employers investing in the borough.** People here feel valued, nurtured and invested in. This means that they have a love of learning, a sense of curiosity and are ready for school, employment and the bright and varied life opportunities ahead of them.
- **Connected and Smart:** Southend-on-Sea is a **leading digital city and an accessible place.** It is easy to get to and get around, with **easy parking for residents, visitors and businesses.** Everyone can get out to enjoy the borough's **thriving city centre, its neighbourhoods and its open spaces.** Older people can be independent for longer. It is also easy to get further afield with quick journey times into the capital and elsewhere. Our airport has continued to thrive, opening up new business and leisure opportunities overseas – but it has done so in balance with the local environment. Southend-on-Sea - it all starts here.

Pride and Joy:

Residents told us they want:

- The seafront continues to be our pride and joy
- Our town centres & public places are clean, attractive, thriving and reflect our success
- I feel inspired by the arts, culture and attractions that are available year-round in Southend.
- We are a 'destination' people want to visit, live and study all year round and from far and wide

Seaway will help achieve this by:

- New developments generating jobs and employment opportunities
- Reputation for creativity and culture
- A place that residents and visitors can enjoy in all seasons

Safe and Well:

Residents told us they want:

- Sunshine and fresh air! A light, bright place with great quality of life
- Everyone feels safe at all times of the day

Seaway will help achieve this by:

- Carefully planned...new developments...support mixed communities
- Improving the quality of the public realm and reducing anti-social behaviour through good design and activated spaces.
- Providing a substantial amount of parking to serve the Development and the wider town centre and seafront area.

Active and Involved:

Residents told us they want:

- A sense of family and community, enjoying and supporting each other – a strong sense of settled communities
- Everyone takes responsibility for protecting our environment

Seaway will help achieve this by:

- The creation of a year-round new family leisure destination
- Modern development incorporating a range of environmental measures and reducing surface water run-off and therefore the risk of seafront flooding.

Opportunity and Prosperity

Residents told us they want:

- My education opportunities have given me the best start in life
- There are so many options for a rewarding career
- There is a good balance of retail, residential and social space in our town centres
- We are well known as a hub for innovative and creative industries and ventures
- Large business support residents' aspirations
- It's easy to do business here – bureaucracy is minimal and overheads are affordable

Seaway will help achieve this by:

- Providing up to 500 jobs and a range of training opportunities
- Generating significant added value to the town centre, seafront and wider economy
- Providing new and improved public realm including a new public square in front of St John's Church
- Providing an additional modern hotel thereby increasing the opportunities for in-bound tourism, longer dwell-time and linked trips and associated spend to the town centre and seafront.

Connected and Smart:

Residents told us they want:

- Easy connectivity with minimal barriers, however I chose to travel
- Parking is cheap and easy for residents and visitors
- Lots of opportunities to be in open space

Seaway will help achieve this by:

- Using technology to integrate with existing vehicle management systems and evolving smart technology.
- Providing good quality, competitively priced public parking.
- Providing new, high quality public realm.

The Council has held and maintained a long-term ambition, to redevelop Seaway Car Park with leisure, restaurants, retail, hotel, parking etc. and this ambition was referred to in the Council's Corporate Plan & Annual Report 2017 which was confirmed by Council on 20 July 2017 (see pages 25 and 37).

The 17 January 2019 report demonstrates how the development of Seaway is woven through a whole range of strategic plans adopted by the Council.

Seaway Leisure has been carried forward in to the 2050 Roadmap which forms part of the Southend 2050 Ambition and Outcomes – The Council's strategic plan.

9.2 Financial Implications

- (a) The financial implications were set out in detail in the report to Cabinet 17 January 2019.
- (b) The detailed financial implications, including the s.123 Local Government 1972 best consideration implications will vary depending on the option selected and will need to be further considered and developed. Cabinet approval would also be required for any significant changes including any lease wrapper/income strip arrangement.
- (c) Extensive staff resources have been and continue to be applied to this important Roadmap project across the Council.
- (d) The risks associated with the Homes England funding and the potential risk of challenge/claims from Turnstone or objectors need to be considered and will carry potential and unknown costs.

9.3 Legal Implications

- (a) The Legal Implications are set out in the main body of this report however depending on which option is supported, the legal considerations will need detailed consideration and development.
- (b) The Executive Director (Legal and Democratic Services) has reviewed this report.

9.4 People Implications

There are no staffing implications.

9.5 Property Implications

The property implications are set out in the main body of this report.

9.6 Consultation

Turnstone ran a public consultation in December 2015 with a stand at the Royals which was well attended and accompanied by a number of linked consultation exercises. Since this time, Turnstone has maintained an open portal on their website to capture comments.

The scheme has received, and continues to receive significant media coverage.

Council tenants affected directly by the scheme have been notified of the planning application and have been provided with all relevant points of contact for representations and discussions.

The Council reports on the scheme are referenced in section 3 above and these have been published on the Council's website.

The planning application has been subject to full public consultation and this is available for anyone to view and comment upon on the Council's website at www.southend.gov.uk/planning under reference number ref 18/02302/BC4M (pending validation at the time of printing).

Turnstone continues to consult on the scheme across various media including property press, local press, its website and social media and leaflet drops.

The Development of Seaway is part of the Council's 2050 Roadmap and Southend 2050 both of which have been produced in extensive consultation with residents and businesses.

9.7 Equalities and Diversity Implications

This Development does not directly affect the delivery of Council services and all those affected by, or potentially affected by the scheme are aware, and have the opportunity to raise any comments or objections through the planning process.

An Equality Impact Assessment will be prepared before the project moves in to the delivery phase.

9.8 Risk Assessment

The main risk relating to this project is the delivery risk because this depends on changing market conditions. This risk is, for the Council, fully mitigated and Turnstone carries all the design, planning, funding, delivery and letting risk under the current Agreement.

There is a reputational risk related to the provision of sufficient parking to support local businesses and this risk is mitigated through the planning process. The above 2 risks could be dealt with differently through the proposed revised arrangement.

Equally there is a reputational risk in not continuing with the project. The project is very public, Turnstone has invested c. £1.4m to date and will need to invest a

further c.£1m to get the scheme to site. For the Council to terminate a deal which would see such significant economic and financial benefits and leave a private developer partner so significantly out of pocket would have far-reaching implications on the Council's ability to secure development partners in the future and could significantly hamper the Council's ability to achieve the 2050 Ambition and a number of the Outcomes.

Further opportunities and risks are set out with the options in section 6 above.

9.9 Value for Money

This will need to be carefully addressed once a preferred option is agreed.

9.10 Community Safety Implications

The site currently suffers from a number of anti-social behaviour issues, particularly in the alleyway behind the church and around the public toilets, recently resulting in a fire being set in part of the toilets.

This space is busy in the late evenings and increased commercial activity along with improved lighting and enhanced public realm should assist with immediate and wider town centre vitality – year round and at all times of day and night.

The scheme will deliver a higher BID levy delivering more money for the BID to invest.

9.11 Environmental Impact

The assessment of Environmental Impact has been fully addressed through the planning process.

10 Background Papers

The most important background paper is the report to [Cabinet 17 January 2019](#), the background information to that report and the supplementary information for [Policy and Resources Scrutiny Committee on 30 January 2019](#) and all councillors are encouraged to re-familiarise themselves with these papers before considering this paper.

See Background section on the Council's Website incorporating frequently asked questions and answers:

https://www.southend.gov.uk/info/100003/communities_neighbourhoods_and_the_environment/873/seaway_project

12 Appendices

None