

Public Document Pack

Southend-on-Sea Borough Council

Legal & Democratic Services

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23 July 2021

CABINET - TUESDAY, 27TH JULY, 2021

SUPPLEMENTARY REPORTS PACK: AGENDA ITEMS 13 AND 14

Please find enclosed, for consideration at the next meeting of the Cabinet taking place on Tuesday, 27th July, 2021, at 2.00pm the following reports that were unavailable when the agenda was printed.

Agenda No	Item
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13	<u>PSP Southend LLP Update</u>
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Report of Executive Director (Finance and Resources) attached

14	<u>Land at Prince Avenue</u>
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Report of Executive Director (Finance and Resources) attached

Robert Harris
Principal Democratic Services Officer

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Southend-on-Sea Borough Council

Report of Executive Director (Finance and Resources)

To

Cabinet

On

27 July 2021

Report prepared by:

Alan Richards – Director of Property & Commercial

Agenda
Item No.

PSP Southend LLP

Relevant Scrutiny Committee(s): Policy and Resources Scrutiny Committee
Cabinet Member: Councillor Ron Woodley

Part 1 Public Agenda Item

1. Purpose of Report

To recommend 4 sites are conditionally opted into PSP Southend LLP for delivery.

2. Recommendations

- 2.1 That Cabinet notes that the high-level business plan, future updates to it and progress against it will be presented to Shareholder Board in due course together with the financial performance of PSP Southend LLP (the LLP).
- 2.2 That the sites listed in section 3.4 of this report are conditionally opted into the LLP for delivery in line with the objectives set out subject to the completion of all relevant due diligence required through PSP Stages e2 and e3 (including completion of the best value review by CIPFA). Operational decisions on the development of the sites going forward will be taken by the LLP Partnership Board (through the Council's LLP Representatives).
- 2.3 That officers continue to engage with the partnership through regular liaison meetings on the future pipeline of development opportunities to ensure that the business plan can be serviced and there is a continuous pipeline of delivery to optimise and support the viability of the LLP.
- 2.4 That Cabinet note that the £5m identified for the delivery of Ilfracombe Avenue will no longer be required and can be released from the Capital Programme and that officers and the LLP are pursuing potential funding via the Homes England ASELA fund to assist with viability and delivery.

3. Background

3.1 Partnership Arrangements

The [report to Cabinet on 25 February 2020](#) set out the background to the Council's PSP Southend LLP partnership and the proposed changes to it, principally to align it to the Council's other companies which now report into Shareholder Board. Cabinet [minute 857](#) refers.

3.2 Business Plan

It has been identified that the Council and the LLP would benefit from a business plan to bring together the strategic objectives of the partnership with the operational objectives for individual projects.

The business plan is being developed. At recommendation 2.1 of this report, Cabinet is asked to note that it will be presented to Shareholder Board in due course once it has been agreed by the LLP Partnership Board.

3.3 Delivery to date and the 4e's model

To date, the Council has delivered the developments at the Former Hinguar Primary School, Saxon Lodge and the nursery and housing at Constable Way, all in Shoeburyness through the [PSP](#) model with a good degree of success.

Sites progress through the LLP in a structured way through the following stages:

e1 - Explore e2 - Evaluate e3 - Examine e4 – Engage

These stages take opportunities from their earliest stages through to delivery in a manner that is compliant with all relevant finance, governance, statutory and procurement rules.

Sites can be looked at for e1 and into e2 before Cabinet approval is required for them to progress. At the point when Cabinet is asked to agree sites to be progressed through the LLP, high level objectives for the site will be set out and then incorporated into the business plan. All further decisions will then be made within the LLP provided that they are aligned to the agreed objectives and the LLP will report to Shareholder Board on performance against the agreed objectives.

3.4 Sites recommended to be delivered by the LLP.

Following initial due diligence, and work through the Housing & Development Pipeline project, it is recommended that the following sites are now opted into the LLP for further work.

- Land at (formerly) Futures High School
- Ilfracombe Avenue Car Park (previously agreed but delivery method to change)
- Thorpedene Campus
- Land East of Brendon Way

These sites have cleared the e1 stage and, subject to Cabinet agreement, are now able to be progressed through the LLP. The paragraphs below set out the background, opportunity and proposed objectives for each:

3.5 Land at (formerly) Futures High School, Southchurch Boulevard.

This land was released following the Council's purchase of the former Procat building and its subsequent reconfiguration and transfer to Southchurch High School (Academy). As part of the Secretary of State's consent, the land of the former school was agreed to be transferred to the Council for development with the proceeds being used to retrospectively part-finance the acquisition and conversion costs.

Since Southchurch High School vacated the old buildings, demolition has progressed so that the site is available for development (some works remain to be completed at the time of writing).

Through engagement with cabinet members (and subject to planning), the site has been identified as being suitable for residential development of approximately 30 homes of a range of sizes and tenures.

The LLP's role in this site would be a land promotion role where they will provide the skills and capacity to prepare the site for the market (assembling all relevant due diligence reports and preparing a planning brief) before seeking a suitable developer to deliver the objectives. The Council, through its LLP role will have full visibility of this and the facilitation fee payable to PSP will be agreed at e3 stage to reflect the work, investment and added value and the project, including the PSP return, will be tested by CIPFA's best value analysis prior to proceeding to the final delivery stage.

The Council and PSP are trying to secure c.£800k of Homes England funding via Association of South Essex Local Authorities (ASELA) which would contribute to the cost of securing, hoarding and demolishing the site including the significantly increased asbestos removal costs suffered during the project. This funding would greatly assist in securing the expected land receipt.

The proposed objective for this site is to maximise the capital receipt to the Council (to retrospectively part-finance the Procat acquisition).

3.7 Ilfracombe Avenue

This site has previously been agreed to be opted into the LLP however the objectives and delivery mechanism have proved to be unviable therefore the LLP has reviewed a range of possible options and it is now proposed that this follows a land promotion arrangement, with a deferred repayment arrangement similar to the Hinguar, Saxon and Constable Way developments which have proved very successful.

Most recently the site was agreed to be opted in for delivery using the PSP's housing model with funding being provided by the Council using public works loan board funding. The return to the Council was proposed to be 2-fold, a return on the development finance plus a profit rent. It was agreed that the revenue surplus may be used to support the refurbishment/replacement of the building housing Southchurch Library. Previously on

this basis whilst still marginal, the development was viable. There has however been a significant increase in build costs and on review, there is insufficient margin for the development to proceed on this basis.

Therefore, because the delivery mechanism proposed is now different, a fresh Cabinet authority is sought.

The Council and PSP are trying to secure (c.£500k) of Homes England funding via ASELA. This would contribute to the cost of diverting a water main beneath the land, relocating a mobile phone mast on the corner of the site and to the costs of bringing in utilities, planning and project management plus, potentially delivering EV charging facilities on site. This funding would greatly assist in securing the expected land receipt from the land.

It is therefore recommended that the site remains with the LLP for delivery but that, following examination of a range of other delivery options, the LLP's role in this site would be a land promotion role where they will provide the skills and capacity to prepare the site for the market and secure a suitable development partner to deliver the objectives. The Council, through its LLP role will have full visibility of this. The facilitation fee payable to PSP will be agreed at e3 stage to reflect the work, investment and added value and the project, including the PSP return, will be tested by CIPFA's best value analysis prior to proceeding to the final delivery stage.

It is recommended at 2.7 of this report that the £5m previously allocated in the Capital Programme for development finance is released from the Capital Programme as it will no longer be required.

The proposed objective for this site is to maximise the capital receipt to the Council which may then be used to support the Capital Programme and potential investment in the building housing Southchurch Library.

3.8 Thorpedene Campus

This site includes the site of Delaware House, Thorpedene Library (closed), Thorpedene Clinic, the shared car park, the on-site accommodation and Thorpedene Community Centre.

The new development at Burr Hill Chase is scheduled for completion in financial year 2021/22. As part of the business case for the new development at Burr Hill Chase, the capital receipt from the sale of Delaware House and the wider site is an important part of the financing package. Therefore, it is important to maximise the capital receipt from the land.

Following the merging together of Friars (now redeveloped also by PSP) and Thorpedene Libraries into part of Shoebury Youth Centre, the first floor which was home to Thorpedene Library is now obsolete and ready for redevelopment. The NHS is redoubling its efforts to deliver the Shoebury Health Centre project which will leave the clinic on the ground floor surplus and vacant.

Thorpedene Community Centre's primary occupier is a playgroup, and it is proposed that in any redevelopment, new community facilities would be provided which could

accommodate the Early Years provision subject to the usual demand and quality tests and agreement of terms.

The delivery model for Thorpedene is yet to be concluded as the next stages of due diligence will be costly and time consuming. The site does however offer the LLP a good development opportunity and agreeing in principle to opt the land in will enable the Council and PSP to work closely together with the NHS and current occupiers to plan and assess the viability of the site for a range of options including a) a residential led development; or b) a Health Centre led development subject to further conversations with the NHS. In either scenario, community facilities would also be part of the essential requirement to be delivered.

As a mid-sized site with potential for a range of development options, it is recommended that these are explored further through the LLP, again conditional on satisfactorily meeting the e2 and e3 tests before proceeding to e4 (Delivery). PSP will bring its private sector skills, resource and capacity to the consultation, feasibility and planning for the site to help the Council achieve its objectives for the land.

The Council and PSP are trying to secure (c.£2.8m) of Homes England funding via ASELA. This would contribute to the cost of site preparation, consultation, demolition, asbestos removal, dealing with gradient, access and rail licences, ecology and community facilities. This funding would greatly assist in securing a full land receipt from the land.

The proposed objectives for this site are:

- a) To deliver a purposeful consultation on future use, including full engagement with the NHS on the potential for the land to support the Shoebury Health Centre project**
- b) To deliver mixed residential development including new community facilities and, if identified as a preferred option, Shoebury Health Centre in partnership with the NHS**
- a) To maximise the capital receipt to the Council to retrospectively part-finance the new residential facility at Burr Hill Chase.**

3.9 Land north of Prince Avenue (including land east of Brendon Way)

This site is the subject to the outcome of the separate paper on this Cabinet Agenda on Land north of Prince Avenue.

The land presents a range of opportunities including potential for some housing to the west of the site adjacent to existing housing.

This site is potentially challenging given its proximity to the flight path however it is some way outside the public safety zone and there are several close development precedents.

The site is currently being considered as part of the Local Plan and if allocated, may be suitable for low-rise, low carbon residential development. New development would of course consider its setting and environment and could be designed having regard to its location and constraints such as the proximity to the airport and access. The land may well suit modular housing and could be promoted exclusively for net zero carbon, precision-built homes.

The land is part of a much wider strategic land holding which presents several opportunities as set out in the separate report referenced above.

In addition to the PSP role in delivering the potential housing, PSP are also able to provide a range of consultancy services and can be directly procured through a framework (Bloom) for such matters. With Cabinet's agreement, engaging PSP in both the delivery of the housing and in supporting the Council in the planning and delivery of the wider site presents a good opportunity for the Council to benefit from resource, experience and capacity and to remain fully involved in the development through the LLP. It is too early at this stage to decide if PSP is the right partner for this wider strategic piece at this time however it is appropriate to explore this further and to return to Cabinet with a conclusion in due course.

PSP is however well placed to deliver the housing element of the site and it is recommended that the land east of Brendon Way is explored further through the LLP, again conditional on satisfactorily meeting the e2 and e3 tests before proceeding to e4 (Delivery). PSP will bring its private sector skills, resource and capacity to the consultation, feasibility and ultimately planning for the site to help the Council achieve its objectives for the land.

The proposed objectives for this site are:

- b) To deliver mixed residential development of net zero carbon homes (estimate 40-50 homes)**
- c) To deliver best consideration to the Council for its land.**

Separately in relation to the wider site opportunity, to consider the role the LLP may play in the wider land holding and report back to Cabinet in due course.

Affordable Housing

Progressing several sites through the LLP together opens up opportunities for flexibility around the delivery of affordable housing.

As a matter of principle, any housing development promoted through the LLP must deliver a level of affordable housing which is at least compliant with the Council's planning policies (in some circumstances this may include conversion to a commuted sum where that is most appropriate). It may be possible, as was the case with the sites at Hinguar and Saxon Lodge, for the affordable housing to be delivered more efficiently on one site, cross funded by another site being all private housing.

Where there are opportunities to optimise returns and the amount and quality of affordable housing delivered, these can be explored by bundling sites together within the LLP for planning and delivery.

3.10 Future pipeline

The business plan will recognise the importance of working to identify a future pipeline of potential sites to assist the Council's delivery programme, for the LLP's own sustainability and because bringing forward development takes considerable time.

The LLP has previously been identified and agreed as a key delivery vehicle for the Council and one which has the potential to deliver both with and for the Council, particularly across the mid-sized sites which fall between the small HRA and garage sites and the very complex/large sites which are likely to require a bundled and/or procured joint venture approach.

It is therefore recommended at 2.3 that work continues to consider potential future sites for delivery through the LLP.

3.11 Use of internal resources (development cost/capitalised salaries)

In addition to being able to benefit from the additional expertise and resource via the LLP, a further benefit is that the Council can use its internal skills to offer services into the LLP. For example, surveying, architectural or engineering services can be provided by Council staff (where capacity allows) and these services can then be charged back to the LLP as development costs.

This has the benefit of not only reducing the costs for the LLP and enabling the Council to recover costs but also in upskilling and developing staff and providing opportunities to work closely alongside private development colleagues to gain experience and look at sites from a private sector perspective bringing improved commercialisation back to their teams and therefore the wider Council.

4. Other Options

The Cabinet could not agree to opt some or all of the proposed sites into PSP Southend LLP for delivery and to either consider direct delivery (having regard to the scares internal resources) or alternative delivery vehicles. Either of these options will however delay delivery and it should be noted that the e3 stage requires CIPFA to endorse the projects and that they deliver the best value for the Council before moving to e4 where the land is committed (in legal terms).

5. Reasons for Recommendations

To capture the benefit of the additional and external resources available through the partnership.

Best consideration can be tested along the way and via the CIPFA best value review as part of stage e3.

To provide opportunities for internal resources to be charged into the LLP and recovered as development costs while also benefiting staff development and commercialisation through closer working with the private sector.

To use this additional tool available to the Council to move forward into delivery on the identified mid-sized sites while internal resources are focussed on direct delivery of the HRA development programme, acquisitions programme and the key regeneration schemes.

It is important for the Council to maintain housing delivery across a range of development sites and types to help meet market demand and to contribute to the overall housing targets. All development also delivers local employment and helps the recover the economy.

6. Corporate Implications

6.1 Contribution to the Southend 2050 Road Map

The proposed developments contribute to a range of Southend 2050 outcomes including the following:

- We act as a Green City with outstanding examples of energy efficient and carbon neutral buildings, streets, transport and recycling.
- We are well on our way to ensuring that everyone has a home that meets their needs.
- We are all effective at protecting and improving the quality of life for the most vulnerable in our community.
- Residents feel safe and secure in their homes.
- A range of initiatives help increase the capacity for communities to come together to enhance their neighbourhood and environment.

6.2 Financial Implications

The financial implications are set out generally in the report.

The £5m identified in the Capital Programme for the development funding for Ilfracombe Avenue can be released as the proposed alternative delivery method will mean that this is no longer required.

The previous proposal to generate revenue from Ilfracombe Avenue to finance borrowing to invest in the building which houses Southchurch Library is replaced by a mechanism which will deliver a capital receipt which, subject to much further work, a review of services and investment board agreement, may be used to invest in the replacement or major refurbishment of the building which houses Southchurch Library.

The Procat building and conversion was part funded (in advance) via the capital receipt generated from the sale of the Futures Land.

The Capital investment in the new care facility was built up including the capital receipt from the land at Thorpedene Campus (and Avro/Viking and the land adjacent to the new care home).

The opportunities to capitalise salaries into the LLP and recover them as development costs is identified and will help the Council to manage its revenue budgets – the details and extent to which this can be exploited is as yet not known and will vary case to case and depending on the availability of resources.

The Council tax and business rates income from the various schemes should also be considered although as the precise development mixes are not known at this stage figures for this are not reported. It is also important to note that with additional development comes pressure on social infrastructure generally which the Council Tax and Business Rates will assist with. In addition, the sites will be subject to Community Infrastructure Levy (CIL) and where applicable s.106 to further support the delivery of social infrastructure as appropriate.

6.3 Legal Implications

As set out in the report – any legal transactions will require the usual legal due diligence prior to exchange.

6.4 People Implications

As set out in the report there are opportunities for staff development, learning and commercialisation through working closely with private sector partners.

6.5 Property Implications

As set out in the report.

6.6 Consultation

The proposed sites have been subject to various Councillor briefings as part of the Housing and Development Pipeline work.

The development of sites will be subject to the usual planning consultation process.

6.7 Equalities and Diversity Implications

All new housing will meet current standards for accessibility and affordable housing provision.

6.8 Risk Assessment

Each development will be subject to the relevant risk assessments at the appropriate time as the individual projects are developed and risks will be reported through the Partnership Board and on to Shareholder Board as appropriate.

It should be noted that where sites are used to cross-deliver affordable housing both the planning and disposal strategies need to be aligned and may well require the use of a common development partner meaning schemes may only be able to be delivered as fast as the slowest part so this may not always be optimal.

6.9 Value for Money

There are several references to the CIPFA best value reviews which are undertaken at the end of the e3 stage prior to transacting and moving into delivery – these provide an independent review and assurance that the Council is receiving best value through the use of the LLP, the proposed development and transaction.

6.10 Community Safety Implications

This will be considered through the design and planning process as with any development projects.

6.11 Environmental Impact

There are opportunities to deliver high quality, low, or net zero carbon homes across the sites proposed. These opportunities will be considered and explored in detail as the various sites progress through the design and review stages and in to planning.

7. Background Papers

The [report to Cabinet on 25 February 2020](#) which also references further background papers.

8. Appendices

None

Southend-on-Sea Borough Council

Report of Executive Director (Finance and Resources)

To

Cabinet

On

27 July 2021

Report prepared by:

Alan Richards – Director of Property & Commercial

Agenda
Item No.

Land North of Prince Avenue – Future Land Uses

Relevant Scrutiny Committee(s): Policy and Resources Scrutiny Committee
Cabinet Member: Councillor Woodley

Part 1 (Public Agenda Item)

1. Purpose of Report

To set the strategic principles and agree the way forward for the potential future development of the Council's land north of Prince Avenue and shown on the plan at **Appendix 1**.

2. Recommendations

2.1 That the development principles set out in section 4.2 of the report are agreed.

2.2 That the land is appropriated for planning purposes pursuant to s.122 Local Government Act 1972.

2.3 That future capital receipts from the land are used to finance a budget of £200,000 (Capital) to be applied to the workstreams identified in section 4.9 of this report.

2.4 That to the extent that they may fall outside the scope of the delegations in the Constitution, that the detailed land transactions for each element are delegated to the Executive Director Finance and Resources in consultation with the relevant Cabinet Members.

3. Background

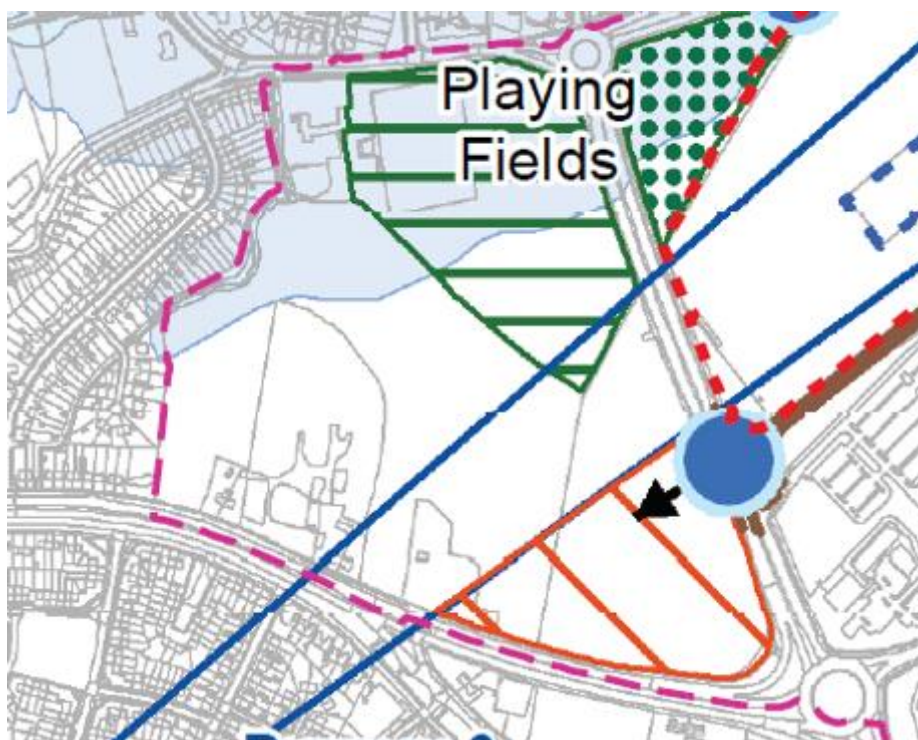
3.1 Land ownership details:

3.2 The Council owns approximately 25 acres of farmland lying to the north of Prince Avenue and the west of Nestuda Way as shown on the plan at **Appendix 1**. The land is currently subject to an agricultural tenancy. The Council's wider land ownership is indicated on the plan at **Appendix 2**.

- 3.3 The land was transferred from Essex County Council when Southend-on-Sea Borough Council was established as a unitary authority in 1998 and has, since this time been subject to farm tenancies.
- 3.4 The land is also subject to a lease to London Southend Airport in relation to their 'Instrument Landing Systems' which are located in the field and in line with the runway which lies to the north and east of the land on the other side of Nestuda Way. A small part of the land was surrendered several years ago and has been used as a site compound for various highways works in the vicinity.
- 3.5 The roundabout at Nestuda Way, which was constructed to enable the construction of St Laurence Way and the extension of the runway, was constructed with a spur to open up and enable the development of this land in the future.
- 3.6 There are two other short-term licence agreements (one for a garden extension and one for grazing) which are affected as identified in section 6.5 below. Both can be terminated on notice at the relevant time. It may be possible to draw in further areas of land immediately adjacent and these will be considered through the feasibility process where they may add benefit either to an initial phase, or later phases of development. There is also a pillbox in the centre of the land which is on the Historic Environment Register and a public footpath running north to south across the site which will both need due consideration.

3.8 Brief Planning Context:

- 3.9 Part of the land is already identified for development in the Joint Area Action Plan (JAAP) which was adopted by Rochford District Council and Southend-on-Sea Borough Council in December 2014. The allocated part is indicated below hatched orange and is referenced in the JAAP as area 'xi':



- *Area–xi - Land south-west of Nestuda Way – the area currently contains football pitches and facilities and agricultural land. While parts of the site are restricted in terms of development, and there are no proposals related to the football facilities, the area does have the potential to provide some additional employment land.*

Proposal –An area of land to the south of the Public Safety Zone is allocated for B1 development, as shown on the Proposals Map and set out in Policy E7 (Nestuda Business Park).

Policy E7 - Nestuda Way Business Park

Within the proposed Nestuda Way Business Park applications for development within Use Class B1 will be expected in the period post 2021. It is expected that the site is capable of accommodating 10,000 sq. metres of floorspace. The design, sustainability and quality of buildings within the business park will need to be carefully considered and provide an appropriate visual frontage to the A127.

3.10 The JAAP Implementation Delivery Plan identified Nestuda Way Business Park (Key Project 2) to be delivered after 2021. It did however indicate that demand for office and other space would need to be monitored.

4. Current situation:

4.1 The Council's tenant farmer has confirmed to the Council that following the UK's exit from the European Union and the changes to farming subsidies, the land is no longer viable for her to farm and has advised that once the current crop is taken off the land, the tenancy will be surrendered to the Council (summer 2021).

4.2 Development Principles - Proposal for new land uses:

4.3 The Council's land in this location now presents a timely and excellent array of opportunities for the Council to bring forward to assist with a range of Southend 2050 outcomes and to contribute to the ASELA¹ priorities (housing, connectivity and public transport, commercial development).

4.4 To bring the land forward with certainty into the market, the recommendations at 2.1 - 2.4 are necessary to enable the land to be strategically planned and positioned for delivery.

4.5 For the purposes of this section, the land is that shown on the plan at **Appendix 3**.

4.6 Subject to further investigation, the land has the potential to contribute to some or all of the following objectives/development principles:

- Land released for low-rise housing (c.40-50 houses, potentially via PSP Southend LLP as a mid-sized strategic site which may also be suitable for

¹ Association of South Essex Local Authorities: <https://www.southessex.org.uk/priorities>

off-site construction to the far west of the land. A separate report on this Cabinet agenda refers)

- Employment land – job creation and contribution to the wider social infrastructure through Community infrastructure Levy (CIL) and s.106 as appropriate and deemed necessary.
- Enable part of strategic road construction (sufficient to open up the development plots but not to link out to the A127 at this stage).
- Land receipt(s) and/or increased rent.
- Positive re-purposing of land for economic benefit
- Electric vehicle (EV) and/or hydrogen charging site/EV vehicle sales/hire forecourt and potentially other linked energy generation initiatives and a wider EV strategy to support the work towards the Climate Emergency and net zero by 2030.
- Potential for a wider joint venture with EV occupier and transport partners to deliver a park and ride offer for example, and supporting the key growth areas and the town centre, removing traffic from the network earlier.
- Satisfy high demand from the sector for a small supermarket (job creation and high land value to enable other uses)
- Other land ancillary land uses required to assist viability and/or as part of above (For example, the EV charging facility could incorporate a coffee shop and touchdown workspaces as part of its business plan).

4.7 Next steps and resources required:

4.8 To progress with the development of these opportunities a capital budget of £200,000 is required to provide capacity to undertake the following elements:

- a) feasibility / viability planning
- b) land surveys (including archaeological assessment) and ground sampling and topsoil strategy
- c) consideration of potential flood risk and noise issues in nearby residential areas
- d) detailed land and procurement strategy including discussions with London Southend Airport on the joint venture potential.
- e) Consideration of appropriate landscaping, possible amenity space and planting across the site.
- f) Consideration of the potential for a Park and Ride offer, and electric vehicle infrastructure as part of the wider transport strategy for the town
- g) marketing of the site
- h) detailed design and cost planning of required elements including site access, services grid connection costs
- i) outline planning
- j) legal and other professional fees
- k) resources & capitalisation of salaries
- l) the above list will not be exclusive therefore other surveys and studies as required.

4.9 It is proposed that this budget is forward-funded and paid for using capital receipts generated from the land in due course.

5 Appropriation of Land

- 5.1 The general power to appropriate land is conferred on principal councils under the Local Government Act 1972 s.122. A principal council may appropriate land:
- Belonging to that council;
 - That is no longer required for the purpose for which it is held;
 - For any other purpose for which it is authorised by statute to acquire land.
- 5.2 The land was acquired as described above as part of the transfer of land from Essex County Council when the Council was established as a unitary authority and at the time of transfer, the land was subject to agricultural tenancy and has continued to be so since that time.
- 5.3 Once the tenancy is surrendered (or otherwise ended), the land will no longer be required for the agricultural use for which it is held.
- 5.4 For the proposed uses to be enabled therefore it will be necessary for the Council to appropriate the land for 'planning purposes'. Recommendation 2.2 of this report refers.

6. Other Options

The Council could:

- a) seek a new farmer tenant.
- b) look to include the land in the Airport Lease
- c) self-deliver the proposed developments
- d) market the land for sale as it is (whole or parts).
- e) consider alternative uses for all or parts

7. Reasons for Recommendations

- 7.1 The proposed development principles set out a strategy for this land which seeks to provide some flexibility whilst also enabling the development objectives and is considered to be the optimal way to bring the land forward to have the greatest impact across a range of Southend 2050 outcomes.

8. Corporate Implications

- 8.1 Contribution to the Southend 2050 Road Map and Recovery Priorities

The proposals will contribute significantly to the economic recovery and climate change recovery priorities and to many of the Southend 2050 outcomes including:

Safe and Well;

- we are well on our way to ensuring that everyone has a home that meets their needs.
- we act as a Green City with outstanding examples of energy efficient and carbon neutral buildings, streets, transport and recycling.

Opportunity and prosperity:

- The Local Plan is setting an exciting planning framework for the Borough.

- we have a fast-evolving, re-imagined and thriving town centre, with an inviting mix of shops, homes, culture and leisure opportunities.
- key regeneration schemes, such as Queensway, seafront developments and the Airport Business Park are underway and bringing prosperity and job opportunities to the Borough.
- Southend is a place that is renowned for its creative industries, where new businesses thrive and where established employers and others invest for the long-term.
- Southend provides fulfilling careers for our residents, and enough job roles to match the needs of the population.

Connected and Smart:

- working with public transport providers to enhance and encourage the use of the existing provision moving towards a long-term aspiration to open new routes, enabling a wider accessibility to public transport options.
- people have a wide choice of transport options.
- we are leading the way in making public and private travel smart, clean and green.
- Southend is a leading digital city with world class infrastructure that reflects equity of digital provision for the young, vulnerable and disadvantaged.

ASELA Priorities

The combined projects will also contribute to the ASELA priorities, in particular through the potential release of land for housing, the delivery of commercial development to enable employment and the improvements in connectivity and public transport.

Recovery Priorities:

The combined projects will support economic recovery both during construction and in operation and will contribute towards the Council's housing targets, environmental sustainability agenda by encouraging and accelerating the move towards electric vehicles and away from petrol and diesel and helping to provide affordable and viable alternatives to driving for visitors, workers and residents in the borough.

8.2 Financial Implications

That £200,000 is identified in the Capital Programme across 2021-22 – 2022/23, funded initially from the business transformation reserve and then treated as a development cost and reimbursed from the proceeds from the land in due course.

The Capital identified will enable the project to be resourced through the next stages. Note – it will not be sufficient to see through the delivery of the full development proposals. If the projects do not progress, any capital expended would fall back on the Council's revenue budget.

As part of any joint venture discussions, the Airport would also need to make a financial commitment to resource the feasibility and development of any proposals relating to those elements.

The developments will be liable to Community Infrastructure Levy (CIL) and where applicable s.106 to support the delivery of social infrastructure.

8.3 Legal Implications

The land was subject to a shared value clause requiring any value derived from a disposal of the land to be shared with Essex County Council 50:50 until March 2019.

The appropriation of land is dealt with in section 3.6 above.

The next stages of feasibility work will include structuring (in legal terms) of the various arrangements including the potential joint ventures and advice will be secured on this as required.

All land transactions will need to meet best consideration requirements.

8.4 People Implications

The Capital identified will enable the project to be resourced through the next stages. There are no wider staff or people implications.

8.5 Property Implications

As set out in this report, including the appropriation of the land.

The land will remain subject to the Airport Runway End Safety Area lease for the section accommodating the instrument landing equipment.

A small area of land fronting Prince Avenue is subject to a grazing licence with notice provisions.

A further small area is subject to a garden licence which again is terminable on notice.

An area around the topsoil business is included and can be taken back by the Council at no cost.

Other adjacent land areas could be acquired and/or considered as the proposals are developed where they add value. The parameters have been drawn deliberately so that all land can be assembled using the provisions in agreements.

As part of the feasibility work, consideration will be given to the appropriate disposals options and means of delivering best consideration. This is likely to include a combination of market exposure for elements of the land and direct conversations where necessary – for example in relation to development around the Instrument Landing Equipment and near to the Public Safety Zone will require direct conversations with the Airport.

8.6 Consultation

High-level discussions have been held with the Airport who are supportive of the principles and the general approach to the commercial objectives.

In relation to the proposal for some residential development to the west of the land, the Airport has identified that they have received, and do regularly receive complaints from a small number of residents of nearby residential areas.

The Airport has advised that their approach to this would most likely be to respond to the planning consultation and request an informative be added with regard to proximity to airport / flight paths / aircraft noise.

They would also respond with requirements under planning policy for noise insulation (if applicable) and would have to physically safeguard the development. The main consideration would be height and the impact of the public safety zone (See **Appendix 4**) although they would also give consideration to matters such as lighting, and solar panels and would be required to have any proposed development assessed by a third party to ensure that there is no impact on instrument flight procedures.

There is strong market interest (speculative) in relation to the retail plot and the Electric Vehicle charging infrastructure.

Initial conversations with councillors across parties have provided positive feedback on the proposals.

PSP have undertaken some initial work on the housing feasibility for the westernmost part of the site.

Parts of the land have been presented for consideration under the Local Plan for allocation for various purposes.

8.7 Equalities and Diversity Implications

There are no implications for staff.

Any effects of the specific proposed developments will be considered and analysed if and as the projects progress.

The farm tenant wants to exit the land/lease.

8.8 Risk Assessment

The risks and opportunities will be considered as each of the projects is unlocked and brought forward.

8.9 Value for Money

The procurement of contracts within contract procedure rules, enabling a competitive process where possible and securing best value for any land transactions through market testing and/or clear benchmarking will ensure value for money.

8.10 Community Safety Implications

Community safety implications will be considered as the specific elements of the development are planned in detail and progressed.

The site boundaries will be secured to reduce the risk of unauthorised access and other mitigation measures, such as periodically ploughing the field may assist.

8.11 Environmental Impact

The environmental impact of any development of the land will be considered carefully as the strategy is developed and progressed through planning.

The land uses generally are intended to help to contribute to the climate change agenda as described in this report.

9. Appendices

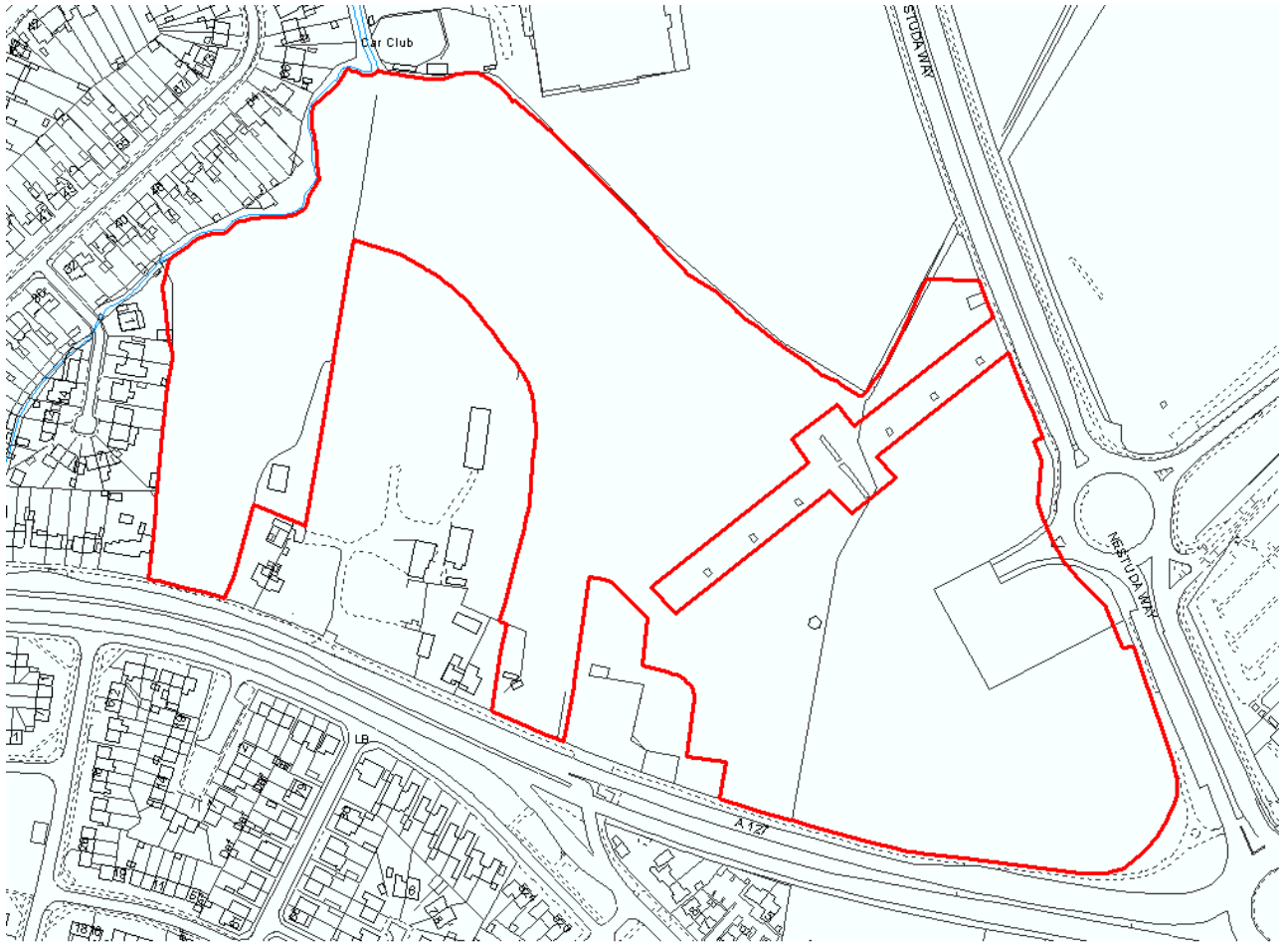
Appendix 1 – Plan of the current farmland due to be surrendered.

Appendix 2 – The Council's wider land ownership in the vicinity.

Appendix 3 – The land to which the development principles relate.

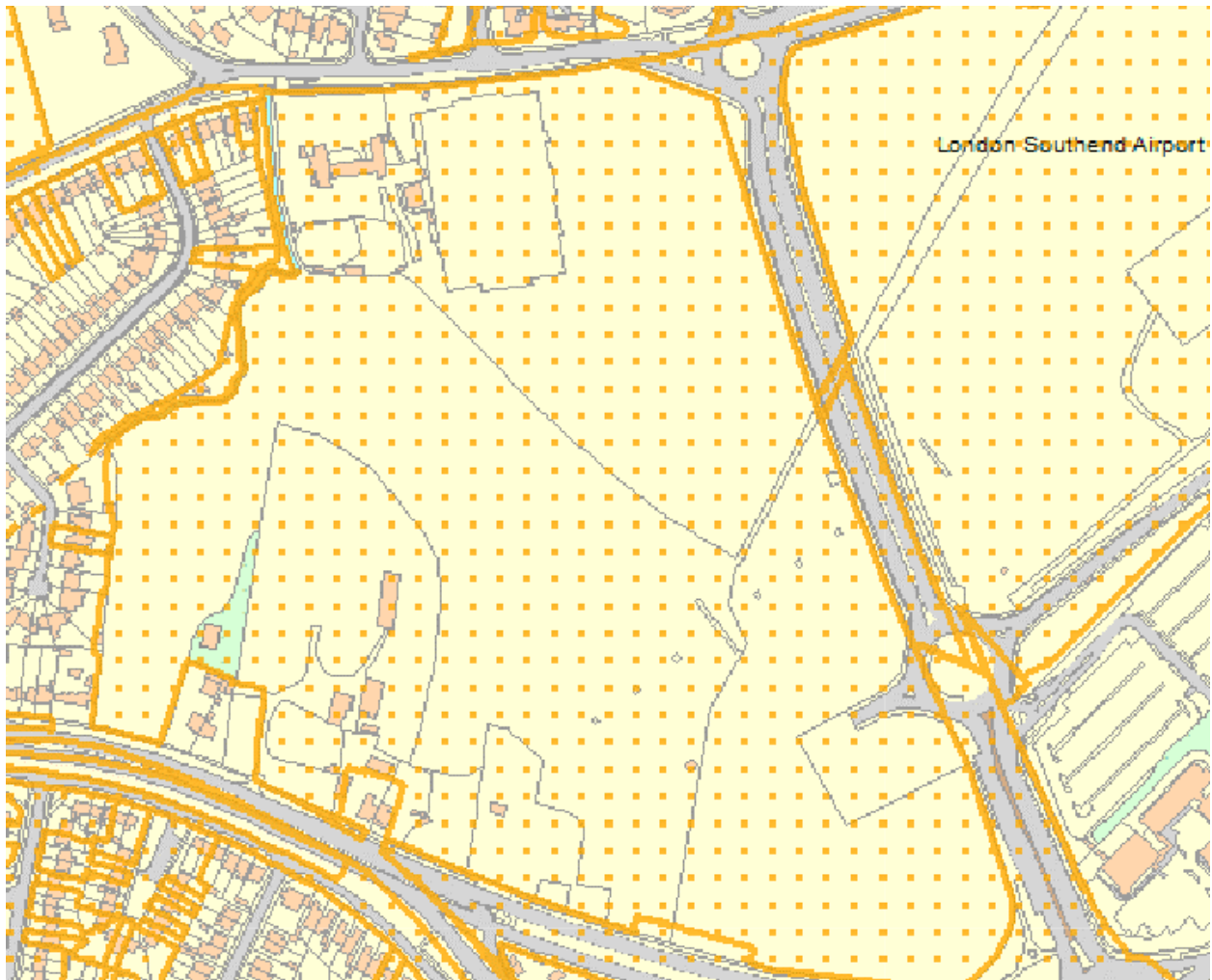
Appendix 4 – Airport Public Safety Zone (PSZ)

Appendix 1 – Farm Tenancy land

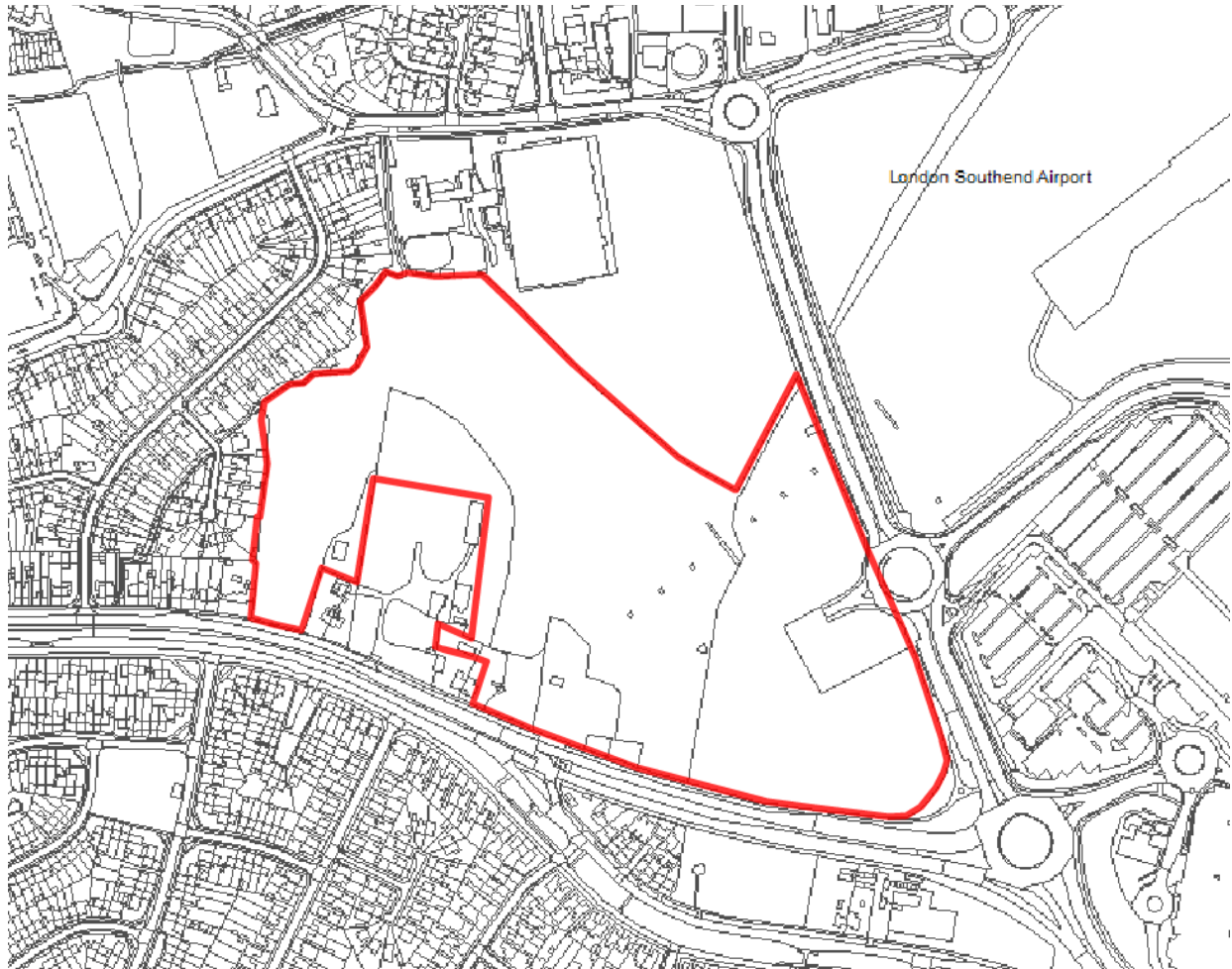


Appendix 2 – The Council’s wider land interest

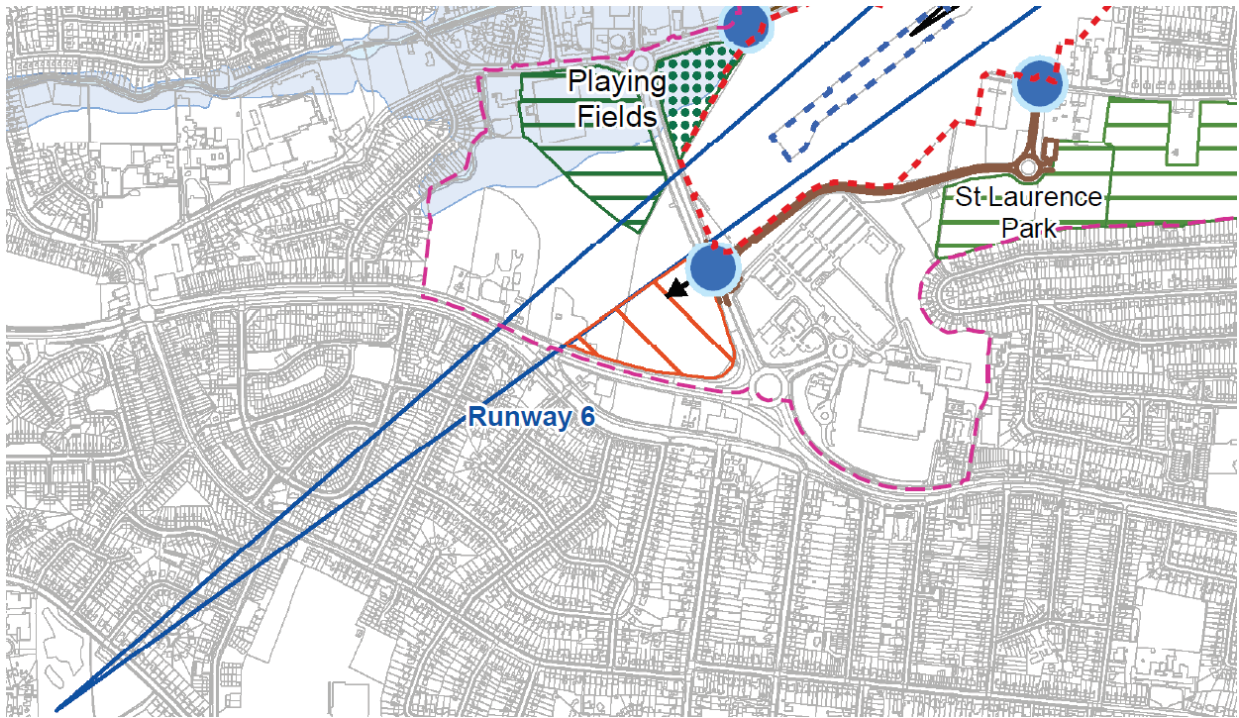
The Council’s registered freehold land is shown edged and dotted orange which is subject to various other agreements in places.



Appendix 3 – The land to which the proposed development principles would apply at this stage.



Appendix 4 – Airport Public Safety Zone (PSZ)



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