

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

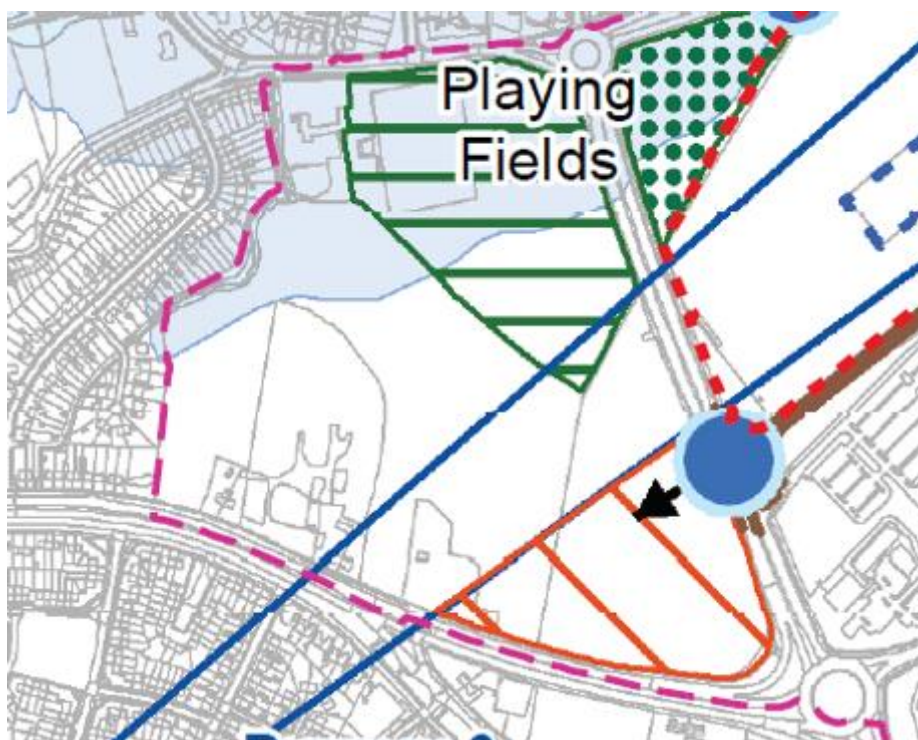
3.1 Land ownership details:

- 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

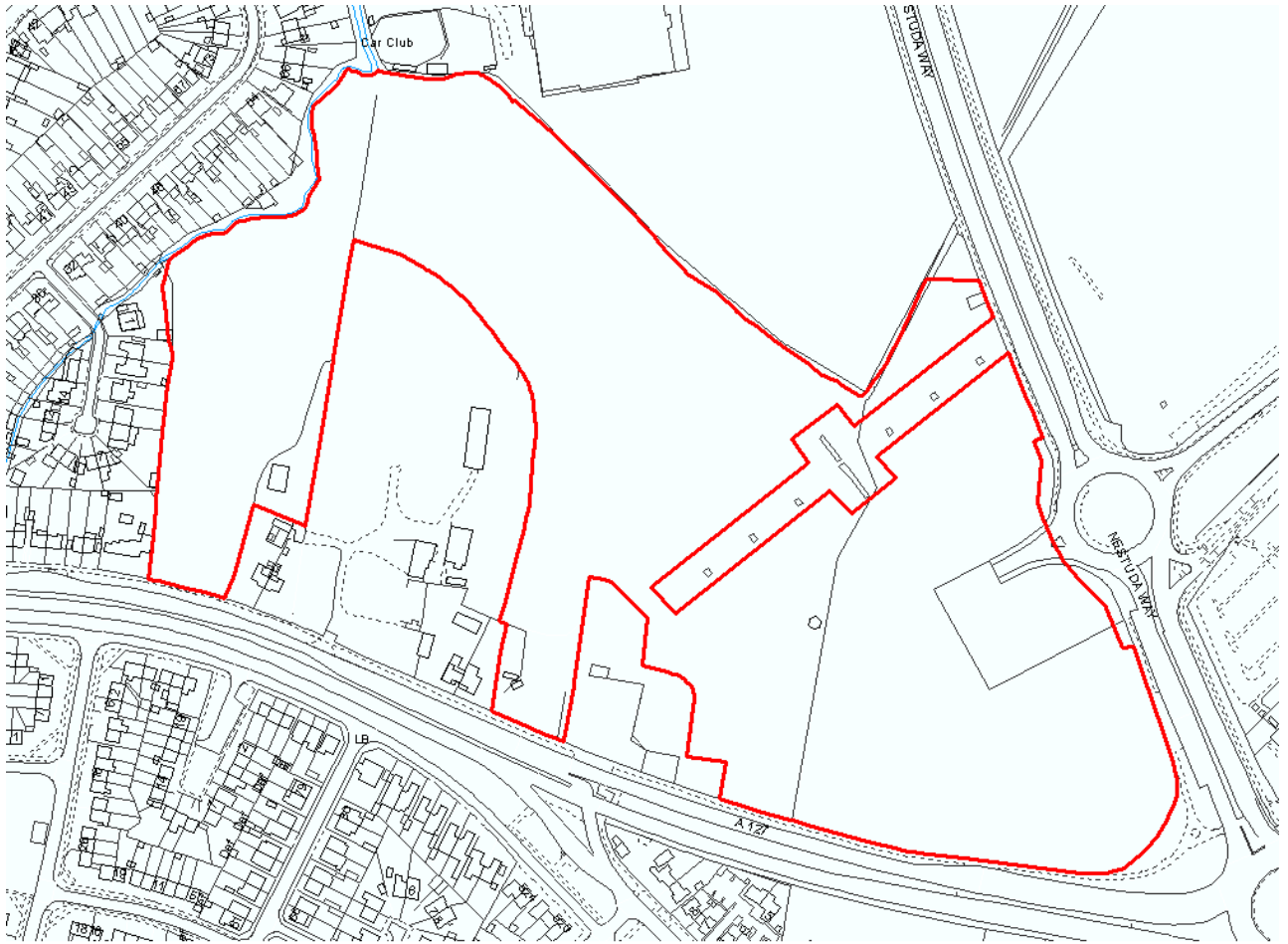
Appendix 1 – Plan of the current farmland due to be surrendered.

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

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

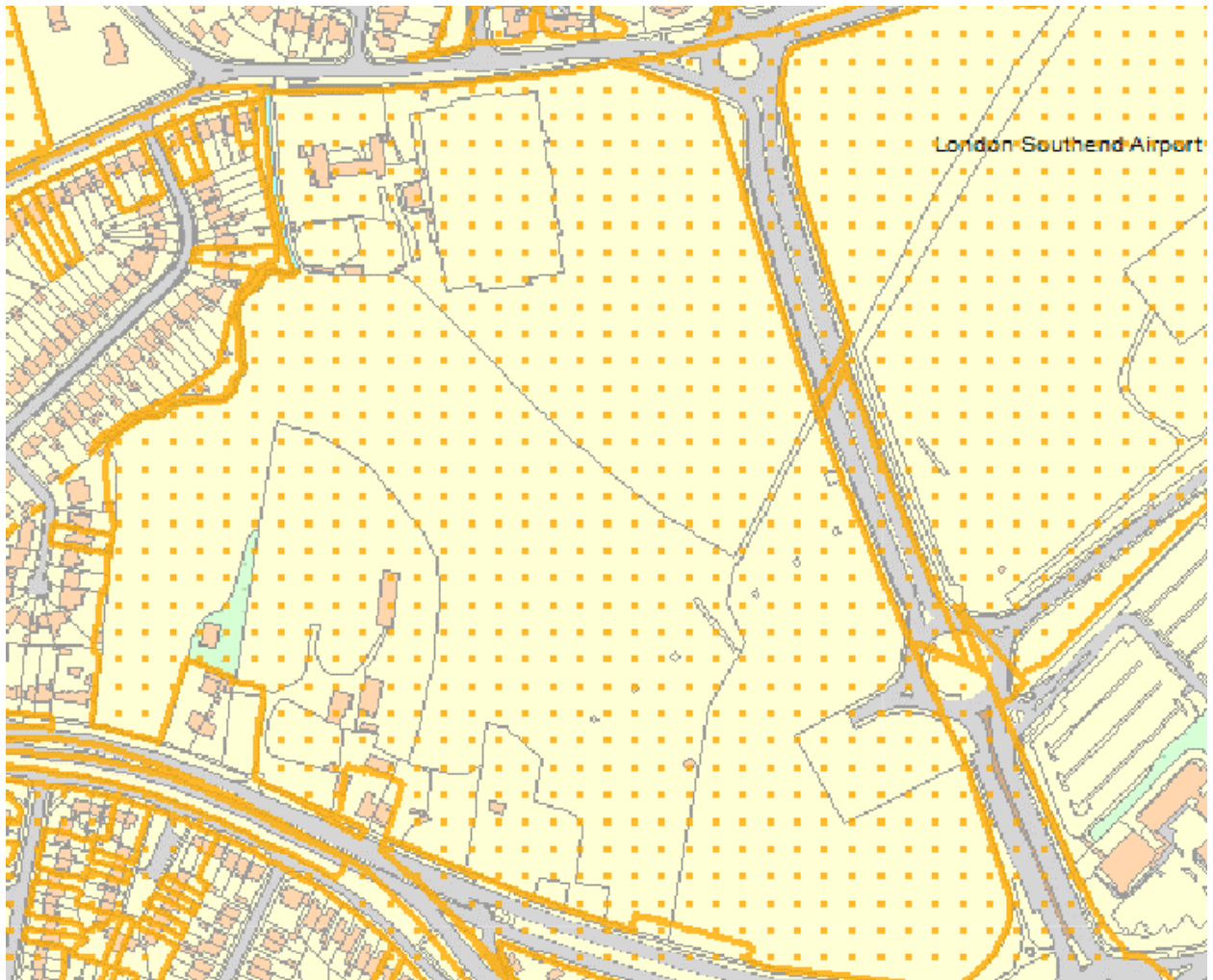
Appendix 4 – Airport Public Safety Zone (PSZ)

Appendix 1 – Farm Tenancy land

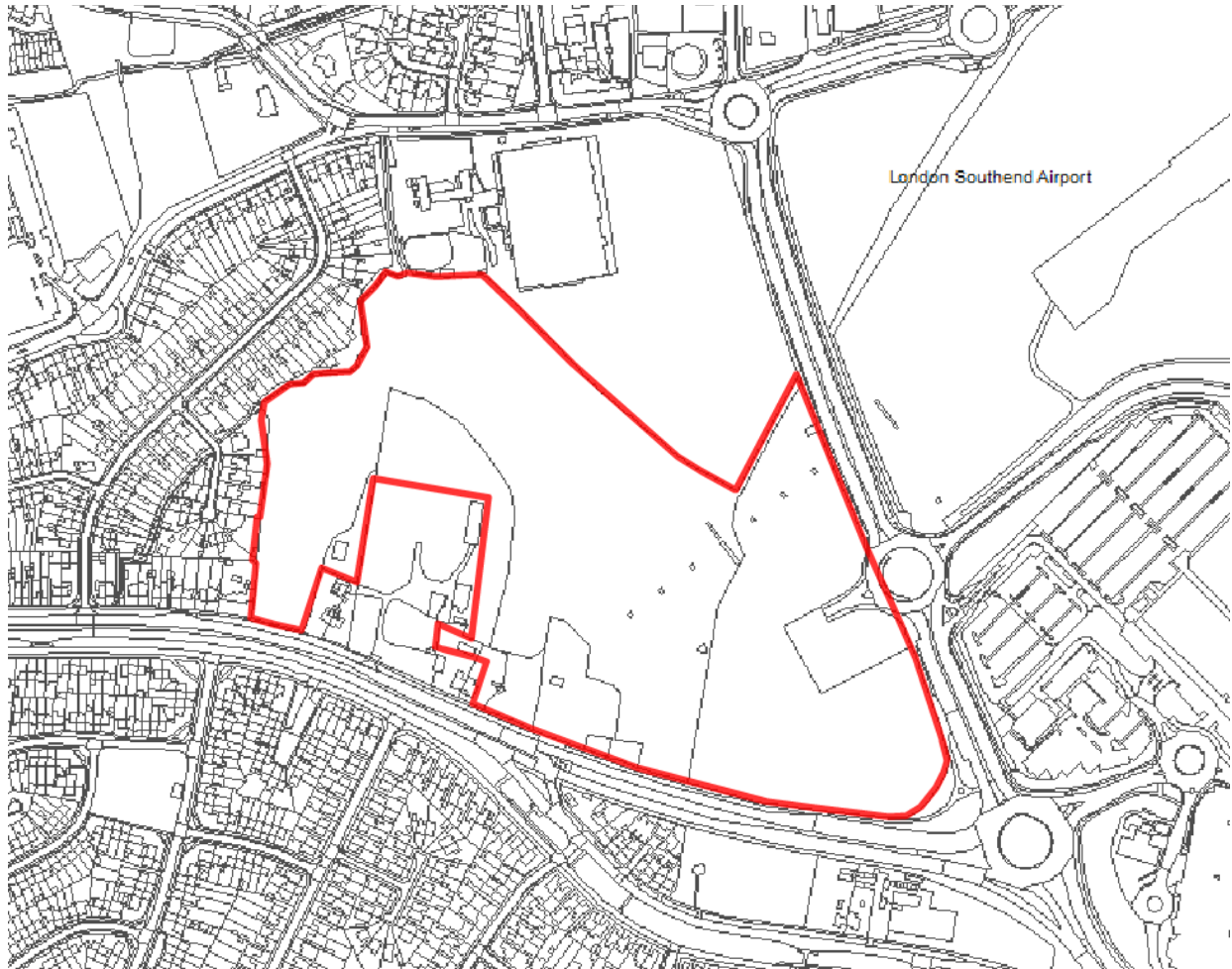


Appendix 2 – The Council’s wider land interest

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)

