

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards King's Lynn	Mandatory/	Be entirely within Cabinet's powers to decide	YES/NO	
	Discretionary /	Need to be recommendations to Council	YES/NO	
	Operational	Is it a Key Decision	YES	
Lead Member: Cllr A Beales E-mail:		Other Cabinet Members consulted: Cllr N Daubney, Cllr Adrian Lawrence, Cllr David Pope		
		Other Members consulted:		
Lead Officer: Dale Gagen E-mail: dale.gagen@west-norfolk.gov.uk Direct Dial:01553 616505		Other Officers consulted: Management Team, Matthew Henry, Duncan Hall, Ostap Paparega, Stuart Ashworth		
Financial Implications YES	Policy/Personnel Implications YES	Statutory Implications YES	Equal Impact Assessment NO	Risk Management Implications YES/NO

Date of meeting: 3 February 2015

MAJOR HOUSING DEVELOPMENT FINAL APPROVAL – PART 1 OPEN

Summary

This report is one of two reports to be considered by Cabinet at the meeting. This open report addresses the background, consultation, leisure facilities, programme, governance and relevant risk implications. The second report will be taken in the Exempt session of the Cabinet meeting as it relates directly to the business case, the contract negotiations and related financial aspects of the project.

The aim of this project is to achieve a significant delivery of housing over a 4-5 year period, accelerating house building in West Norfolk by bringing forward public land for development which would otherwise not be developed in the medium term, provide a commercial return for the Council over the longer term and act as a stimulus to the economic activity in the local area including the creation of apprenticeships. In addition the scheme includes significant improvements to the leisure facilities at Lynnsport with two new synthetic hockey pitches, 4 new tennis courts, additional community facilities and, importantly, a new access road together with an increased number of parking spaces for the Lynnsport complex.

The proposal taken to market was structured on the basis that the Council would:

- (i) Use Council owned land (and possibly Homes Community Agency (HCA) land) as an investment to stimulate new housing delivery.
- (ii) Accept a deferred receipt/revenue stream for the land.
- (iii) Consider alternative model options that include the receipt of market rent in the early years and capital receipts as properties are sold when markets permit.

This report : -

- Summarises the main issues raised through the recent public consultation and the Council's proposed responses to the issues raised.
- Proposes modifications to the original outline plan following the public consultation exercise and sets out the impact of these changes on the proposals for new leisure facilities.
- Details the proposed governance arrangements for the overall programme, including the 'trigger points' to give approval to commence each phase.

Recommendations

Cabinet is asked to note the comments received through the public consultation exercise and proposed responses outlined in the report and to give consideration to the suggested changes to the original outline plan when considering the second report on the scheme which will be taken in Exempt session, as set out in Section 8.

Reason for Decision

To reflect and respond to issues raised through the consultation and to invite Cabinet to consider the proposed modifications to the scheme in order to seek to address the concerns raised.

1 Background

1.1 On the 30th October 2012 the Council agreed to progress a proposal for a major housing development on certain sites of its land in Kings Lynn. Under the proposed arrangements the Council would retain an equity investment in the development (based on the perceived land value) rather than simply disposing of the assets. On the 30th July 2013 Cabinet received a further update and authorised the start of the procurement exercise. On the 7th October 2014 Cabinet approved Lovell as preferred bidder, and Lovell's Variant B as the approved bid.

1.2 Savills were engaged to assess the project's viability and to support development of the proposition and procurement.

1.3 The project is aimed at achieving a significant delivery of housing over a 4-5 year period, accelerating house building in the local economy by bringing forward public land for development which would otherwise not be developed in the medium term. It will also provide a commercial return for the Council over the longer term and act as a stimulus to the economic activity in the local area including the creation of apprenticeships in West Norfolk.

1.4 The proposal assumes that the Council will:

- Use Council owned land (and possibly HCA land) as an investment to stimulate new housing delivery.
- Accept a deferred receipt/revenue stream for the land.
- Consider a flexible market-driven approach that includes the receipt of market rent for any unsold properties in the early years and capital receipts as properties are sold when markets permit.
- Facilitate improvements to the leisure facilities at Lynnsport including the provision of a new access road from Edward Benefer Way.

1.5 To allow the development of the proposed sites a significant amount of enabling works will need to be undertaken. The initial estimate for these costs was £6.9 million. Since the last report discussions have taken place with Sport England, The Football Association (FA) and Lafarge Tarmac (the contractor for the new road), which has enabled a more accurate estimate of costs to be calculated. The changes are shown in the table below, together with the amendments which reflect the proposed scaling down of the quantum of development at Lynnsport which is outlined more fully in Sections 3 and 4 of the report.

Item	Description		Initial Estimated £	Current Estimate £	Revised Proposal £
1	Two new synthetic sports pitches (Joint project with Pelicans and National Lottery)	AF	420,000	420,000	420,000
2	Move model railway	**	25,000	30,000	30,000
3	New road from Edward Benefer Way to Lynnsport plus changes to Lynnsport car parks		4,300,000	4,300,000	4,000,000
4	2 3G Sports Pitches			1,100,000	0
5	Cricket club house and pitch			50,000	0
6	Tennis			50,000	75,000
7	Remediation strategy for old land raise site		900,000	500,000	50,000
8	New changing rooms (two blocks)	**	300,000	350,000	0
9	Quantity Surveyor (5 Years Cover)			89,000	89,000
10	Clerk of Works (5 years cover)			175,000	175,000
11	Contingency		1,000,000	450,000	450,000
Total			6,945,000	7,514,000	5,289,000

** - Provisional sum

AF - Additional provision funded in current capital programme

1.6 With respect to the proposed road, in addition to the £420,000 currently funded in the capital programme, the Council had initially identified the potential to secure further funding of £2,000,000 towards the cost of the scheme (£1,000,000 from the local business rates pool and £1,000,000 from the local transport fund). Officers have received confirmation that £1 million for the road has been included in the local transport fund, however, it is believed that the local business rates pool will

not be sufficient to fund the £1m bid and officers are currently looking for other funding sources. In the event of no further funding being available this sum will need to be met by the Section 106 reserve built up from the provisional sum of £6,500 per unit to leave a net figure of £3,289,000 to be funded from the Council's Capital Programme as per the last report to Members.

1.7 In the original proposal a provisional sum of £100,000 was made to cover the cost of converting the Dutton Pavilion to a community centre. It is now proposed (and provisionally agreed with Lovell) that this sum is used to build an extension to the pavilion to give the wider community access to community facilities. Once built, this area will be managed from Lynnsport at no additional cost to the Council.

1.8 The Council's share of the cost of the Internal Drainage Board (IDB) pumping station and associated works for the Bawsey Drain will be calculated by estimating the impermeable area of the proposed development. This cost is estimated to be £600,000 and will be met from the section 106 reserve.

1.9 There is a provision for 15% of units to be built and sold as affordable units, in line with the Council's current planning policy.

2 Lynnsport Access Road Planning update

2.1 A full planning application was submitted on 31st October 2014; if planning approval is granted, and the IDB signs off the maintenance agreement for the culverted drain, work could start in April 2015. This new road will not only open up Lynnsport housing sites, it will also provide access to the Marsh Lane site, give a major improvement to access to Lynnsport and help the overall transport network for a large area of King's Lynn, not least the North Lynn Estate.

3 Consultation Responses – Summary

The proposals contained in this report have attracted a significant amount of public interest. This section of the report presents a summary of the main points raised and sets out the Council's proposed response. The scheme will of course also be subject to planning approval which will incorporate a further formal opportunity for the public to comment upon the specific proposals as they are brought forward in more detail.

3.1 Overdevelopment of Green Space/Loss of Soccer Pitches

A common theme in many of the consultation responses, and letters to the local press, has been that of concern about the loss of green space. The area most frequently cited has been the area where the existing soccer/rugby pitches, the cricket wicket and the Dutton Pavilion are located, shown in the plan (Appendix 1) as Lynnsport 2. Local residents have also referred to concerns about the loss of informal green space and areas to walk their dogs.

3.1.1 The originally proposed full development would reduce the amount of green space available, however, much of the area identified for development is overgrown

and difficult to access even for informal use. This argument, however, clearly does not apply to all areas and to the Lynnsport 2 area in particular which is presently occupied by (grass) football/rugby pitches, the cricket wicket and the Dutton Pavilion (changing facilities).

3.1.2 The original report proposed to re-provide two grass pitches elsewhere on the site and to provide two, new all-weather pitches, to be managed by the Norfolk Football Association as a centre of excellence. Having considered and weighed up the strength of the arguments put forward, officers are recommending that the Lynnsport 2 area is no longer included within the Major Housing Scheme and that the existing football pitches and changing facilities are retained in situ. This does mean that the previously proposed Norfolk FA centre of excellence proposal will not now go ahead.

3.1.3 With regard to the wider issue of loss of open space, the scheme does include the development of a nature trail/wildlife area. This will be developed in conjunction with the Norfolk Wildlife Trust and will bring back into much wider public use an area of the Lynnsport complex which is at present little used. It will also enhance the overall environment and setting of the Lynnsport complex for new and existing residents alike.

3.2 Traffic Issues

3.2.1 There remains four main areas of concern with regards traffic issues. These relate to:-

- (i) The design and principle of a new road connection, Edward Benefer Way to Green Park Avenue.
- (ii) Proposals to limit access to parts of the existing Marsh Lane and Sedges estate by placing bollards at the top of Marsh Lane.
- (iii) The creation of 'rat-runs' created by the new road and proposed connectivity of the new development to the existing network.
- (iv) There is some concern regarding how some people will use the new road and how this might be addressed via traffic calming measures.

3.2.2 It was made clear during the consultation process by residents living along the route of the proposed new road that they were opposed to the proposal. However, from the outset consideration has been given to mitigating the issues raised. In particular noise, safety and connectivity between the new infrastructure and the old. The Council chose the most expensive option when determining the proposed route for the road so as to not impact on the cycle path, retain existing mature hedgerows and ensure that the new part of the road was located as far as possible from the existing development.

3.2.3 The scheme has been worked up through the Norfolk County Council (NCC) framework contract to ensure it complies with best practice and is able to be adopted once built by the NCC. During this process the NCC has several stages of design where 'Safety Audits' are taken. These Safety Audits test design proposals for not only the whole scheme but junctions, proposed crossing, traffic calming and relationships between vehicles, cyclists and people. The scheme that is now being proposed has passed all Safety Audits.

3.2.4 As part of the design process the Council has consulted NCC Highways Planning for their advice, as they are a statutory consultee under the planning regulations. It was during this process that the issue of bollards arose at the top of Marsh Lane and the Council was asked to gauge the level of support such a proposal might have. Members will be aware that this proposal has caused much concern, especially with the local shop at the junction of Marsh Lane; where a petition has been produced with 1316 signatories against this proposal. After careful consideration, it is recommended by both Borough Council and County Council officers that this proposal is dropped.

3.2.5 NCC Highways have also considered the public's concerns about the potential for the creation of 'rat-runs'. Whilst it is acknowledged that there will be additional traffic using the new route, the majority of it is likely to be locally generated. Highways engineers also see additional benefits being derived from the connectivity created. The lack of connectivity of roads is considered to be one of the reasons that King's Lynn's road network becomes exceptionally congested whenever problems arise on one part of the network. Connectivity is therefore seen as positive to the wider network as long as it is monitored and updated as necessary during the early years of implementation.

3.2.6 Once the new road is built, existing households from both the Marsh Lane area and North Lynn will be able to exit onto Edward Benefer Way. This should assist in addressing recognised air quality issues, with associated health benefits in mitigating them, at the Gaywood Clock and King's Lynn Town Centre (railway Road/Austin Street/Blackfriars Road/London Road) statutorily designated Air Quality Management Areas (AQMAs)

3.2.7 In considering the representations received, it is important to also bear in mind the other positive aspects of the new road; in particular this scheme not only opens up two key housing development sites that will make a significant contribution to housing delivery in the Borough and the growth potential of King's Lynn, but also helps to provide:-

- 1) Improved access to Lynnsport
- 2) Improved access to existing Marsh Lane development
- 3) Improved access to the existing North Lynn Estate
- 4) Facilitates Major Housing Proposal

3.3 Other Areas of Concern

3.3.1 The other areas of concern mainly relate to:-

- (i) Utility Provision
- (ii) School Provision
- (iii) Health Provision including doctors, dentists, hospital

3.3.2 The utility (i.e. electricity, gas, water etc.) provision required to facilitate the development is the direct responsibility of the Council as the developer, and will be provided through the scheme as and where required.

3.3.3 With respect to the provision of the required number of school places appropriate for the level of development proposed, officers are engaged in detailed discussions with the relevant officers at Norfolk County Council. There is a surplus of secondary school places in King's Lynn, consequently discussions are focused to ensure that there are sufficient places for primary children in this part of King's Lynn.

3.3.4 Equally, with respect to health facilities, discussions are taking place with the appropriate health providers and officers from West Norfolk Clinical Commissioning Group to ensure that their plans take account of the impact of the development.

3.4 Overall Scheme

Whilst many of the people commenting on the scheme focussed their primary concerns on one or more of the issues considered above, it is also fair to point out that many of the commentators including the signatories to one of the petitions objected to the scheme in its entirety. Officers are of the view that the modifications to the scheme set out above address many of the concerns raised in relation to overall proposals and would point out that Marsh Lane has been identified as a development site for housing in the local plan for many years. In addition, the Lynnsport sites have been included in the Site Allocation & Development Management Policies Pre-submission document. The appropriate route for raising concerns about their inclusion is by making representations to go before the planning inspector at the examination in public. However, members are asked to note that the removal of any or all of these sites will impact directly on the Council's five year land supply and it would be necessary to identify replacement sites in or adjacent to King's Lynn.

4 Lynnsport Facilities

4.1 The Scheme as originally devised, prior to the conclusion of the pre-planning consultation exercise, required the use of land currently used as sports pitches. The proposals included the re-provision of all of the currently available pitches, opening up previously overgrown and inaccessible parts of Lynnsport, an additional 3G hockey pitch and two new 3G soccer pitches, and four new tennis courts, however, the overall loss of green space was a particular concern of many of the people who attended the consultation sessions. Consequently, officers are recommending that the Lynnsport 2 area is excluded from this project, as this was the area cited most frequently by those objecting to the loss of green space. Consideration of the future use of Lynnsport 2 will be determined at the examination in public of the Site Allocation & Development Management Policies Pre-submission document. The exclusion of this site will reduce the number of homes to be built as part of this scheme on land at Lynnsport from 422 units to 269 units which, in conjunction with Marsh Lane and NORA sites, takes the revised Major Housing Scheme total to 447 properties. Discussions are underway with Lovell to identify other sites in Borough Council ownership to replace some of the lost units.

4.2 Inevitably the reduction in the scale of the development at Lynnsport will mean changes to the proposals for enhancement to the sporting facilities as the surplus which would have been generated from the 153 units on Lynnsport 2 will no

longer be available to finance the improvements. The changes to the sporting facilities proposed are summarised in the table below:-

Facilities	Original Scheme	Revised Scheme
2 new synthetic hockey pitches	Included	Included
Relocate the model railway	Included	Included
2 3G soccer pitches	Included	Not included
Cricket clubhouse and pitch	Included	Not required
4 new tennis courts	Included	Included
Relocation of 2 grass soccer pitches	Included	Remain in situ
New changing rooms	Included	Not required
New Community Facilities	Included	Included
Nature area	Included	Included

4.3 The re-provision of sports facilities/pitches is regulated by Sport England who are a statutory consultee on planning applications that impact on the loss of provision of sports fields. Officers have also been in discussion with the Football Association (FA), the local cricket club, Pelicans Hockey Club and the Lawn Tennis Association (LTA) to secure agreement on the full revised arrangements. With the exclusion of Lynnsport 2 as a site for development, the existing grass football pitches and the cricket wicket will remain in situ. Equally, the Dutton Pavilion will be required to remain in its current use and will therefore not be available for conversion into a community centre. The budget sum set aside for the conversion will however be used to add a community room/hall to the existing Dutton Pavilion. Equally, there is now no requirement for new changing facilities to replace the Dutton Pavilion.

4.4 The remaining enhancements including the additional and replacement of 3G hockey pitches, the four new tennis courts and the nature area will be included in the scheme as originally planned. The model railway will be relocated as planned.

4.5 In terms of the specific proposals, the development of Lynnsport 1 will require the relocation of the Pelicans' current pitch. The council is currently working with the Pelicans to secure additional funding to allow for an additional pitch marked for multi-use to also be provided. This is as a direct result of current demand and to enable the Pelicans base to remain at Lynnsport. The net cost to the Council being £420,000 which assumes that the scheme will be awarded £150,000 from the National Lottery. Should this application not be successful this sum will need to be met from the overall contingency for the project of £450,000.

4.6 During the process the Council has been approached by the Lawn Tennis Association (LTA) to build four flood-lit tennis courts. These will cost £200,000 to build with £125,000 to £150,000 coming from the LTA and Norfolk LTA. The Borough Council is expected to fund the remaining £75,000. Sponsorship for £25,000 is currently being sort from Lovell's and Lafarge Tarmac, the two main contractors associated with the project. However, the Council's contribution of £75,000 has been allowed for to enable this to happen in the event of no sponsorship sums coming forward. The proposed location of these pitches is again shown on the plan at Appendix 1.

4.7 Officers have been working with Norfolk Wildlife Trust (NWT) to develop a management plan to enhance a 2.6 ha area of scrub within an open space in the south east corner of the Lynnsport site (Appendix 1). The plan outlines how new entrances to the site will be created with the creation of a series of grassy clearings linked by paths to create a circular walk, linked to the four corners of the site. This will allow the area to function as a natural green space for use by the local community. It would also allow the existing wildlife interest to be enhanced and provide a focus for community involvement in its management, with NWT overseeing a volunteer-led group.

4.8 In conclusion, whilst the revised scheme necessarily sees a reduction in the investment available to enhance the sporting facilities at Lynnsport, compared to the original proposals it does still represent a significant investment in infrastructure of £5,289,000, which includes £825,000 of new sports facilities and the creation a new car park and new access road. In total this undoubtedly represents a very positive enhancement for Lynnsport.

5 Project Timetable

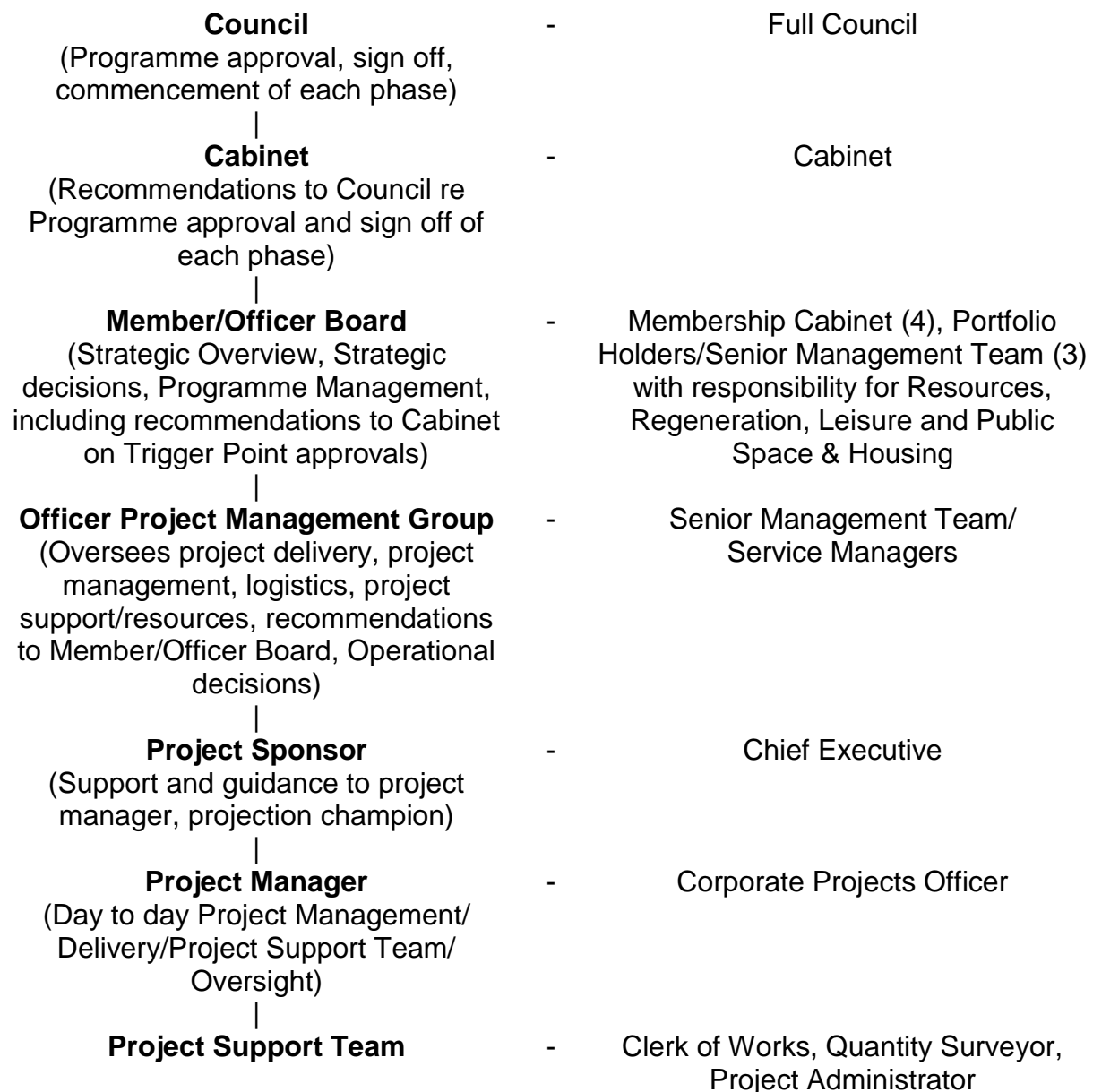
5.1 The following table shows the current timetable to enable the preferred bidder to start on site in 2015.

Task Name	Date
PHASE ONE	
Marsh Lane (Full)	
Consultation (Statutory and non-statutory)	October-January 2015
Appoint sub-consultants	October-November 2014
Design development	October-November 2014
Carry out survey and investigations	October-March 2015
Pre-planning utility enquiry	Thu 16/10/14
Public Consultation Meetings	November 2014 to January 2015
Legal agreement finalised	February 2015
Planning Application submission	March 2015
Legal agreement signed	March 2015
Procurement	Mon 23/03/15
Detailed design and technical approvals	Fri 20/03/15
Application for Discharge of Conditions	Fri 05/06/15
Start on Site- Housing	September – October 2015

6 Governance Arrangements and Trigger points

6.1 The governance arrangements for the Major Housing Scheme have drawn on the experience gained in managing the NORA Joint Venture Housing Scheme which is now close to successfully completing its first phase.

6.2 The arrangements also incorporate the principles of the Prince 2 project management methodology which is applied to all of the Council's larger projects. The proposed governance arrangements are set out below:-



6.3 The Major Housing Scheme will be delivered through a series of 'phases', the first of which is the Marsh Lane site. The contract which has been tendered provides for each phase to be given approval only in the event that the Contractors (Lovells) are able to demonstrate to the satisfaction of the Council, that it will meet a comprehensive viability clause. There are three elements, each of which must demonstrate the financial viability of the phase related to the units to be sold, the affordable units and thirdly any residual private rental units. These three 'tests' are set out in more detail in paragraph 4.2.3 of the exempt part of the report. The Council has the right not to proceed with the 'next' phase if any of the above are not financial viable. It is recommended that the final decision on each phase is taken by Cabinet and Council. No penalty would be payable by the Council if the next phase was not triggered on these grounds.

7 Risk Implications

7.1 Planning approval not granted.

Whilst there can be no certainties in relation to the outcome of the planning process, the public consultation exercise has enabled officers to propose modifications to the scheme to address those issues which appear to have generated most concern amongst the public. In addition, the Marsh Lane site has been identified for housing development in the past versions of the local plan and all sites have been included in the Site Allocation & Development Management Policies Pre-submission document.

8 Recommendations to be considered in Exempt Session

8.1 Although much of the detail within the Exempt Report cannot be part of the public report, the Council can give a summary of the proposed recommendations that members of the Cabinet will be considering. The following is the set of recommendations being made to Cabinet:

1. Cabinet recommends to Council to
 - (i) Give approval for
 - (a) The modified scheme, and in particular the exclusion of Lynnsport 2 from this project;
 - (b) The inclusion of the relevant capital costs and funding set out in Section 5 into the Council's capital programme for the period 2015/2018;
 - (c) The investment into the leisure facilities needed for the scheme to progress as set out in Section 4 of the Open report;
 - (d) The building of the new road from Edward Benefer Way to Lynnsport including the proposed car park proposals;
 - (e) The starting of phase 1 (Marsh Lane);
 - (f) The replacement of 'Private Rental units' with 'For Sale units' as set out in paragraph 1.4 of this report.
 - (ii) That Cabinet and Council act as the bodies authorised to sign off the start of subsequent 'contracted phase' subject to; a business case being produced by Lovells and the 'contracted phase' meeting the financial viability tests set within the contract and outlined in this report.
 - (iii) Give delegated authority to the Chief Executive in consultation with the Leader, Regeneration & Housing Portfolio holders to enter the proposed agreements with Lovell Partnerships Ltd.
 - (iv) Approve the principle of funding of Local Authority Housing Company by the Borough Council; which will hold any properties that have not been sold as part of each phase as private rental units, until they can be sold without adversely affecting the property market.
 - (v) Approve the programme governance arrangements set out in the Open report.

2. Cabinet resolves to
Authorise the release of an additional £200,000 to enable Lovells to continue with their pre-development works.

9 Background Papers

Cabinet Agenda/Minutes
Strategic Housing Market Assessment
Consultation Responses
Petitions x 2

Appendix 1

Site Plan