

PROPOSALS FOR THE REDEVELOPMENT AND DISPOSAL OF THE FORMER KNUTTON RECREATION CENTRE

Submitted by: The Executive Director, Regeneration and Development

Portfolio: Regeneration, Planning and Town Centres

Ward(s) affected: Knutton and Silverdale

Purpose of the Report

To seek Members' views on the preferred way forward for the disposal and redevelopment of the Knutton Recreation Centre and adjoining land.

Recommendations

That Members authorise officers to proceed with the process of disposing of the former Knutton Recreation Centre and adjoining land through a joint disposal process (comprising land owned by both the Borough and County Councils) facilitated by a thorough public consultation process as described in the report..

Reasons

In June 2011 and subsequently in October 2011, following Scrutiny review, the Cabinet approved the disposal of the Knutton Recreation Centre as part of the planned programme to develop the Jubilee 2 Centre. At that time it was agreed that the existing '3G' football pitch should be retained and that the bowling green should be retained or relocated.

New information and other relevant considerations have come to light since members considered this matter last year that warrant further review by Members before officers can proceed with any public consultation or marketing. Importantly it is now appropriate that Members review the development and investment options for sites in Borough and County Council ownership in the centre of Knutton Village with a view to securing a more comprehensive regeneration scheme (in light of the County Council's stated intentions to provide a new, fit-for-purpose, Enterprise Centre at a nearby location, thereby facilitating the clearance of the existing, out-dated, Enterprise Centre at High Street). Also the Council is on the cusp of undertaking a comprehensive review of community centres which may have implications for the Knutton community. Additionally it is necessary to consider the likely financial implications of this matter in the context of known/emerging capital programme commitments.

1. Background

- 1.1 Jubilee 2, the new Health and Wellbeing Centre, has in conjunction with other recently-built facilities at the Gordon Banks centre (at Newcastle College) and Chesterton New Vision provided better indoor recreation facilities than the previous ageing Jubilee Swimming Baths and Knutton Recreation Centre. Once Jubilee 2 had opened it made the core function of the former Recreation Centre redundant. Realising a capital receipt from the sale of the site was expected to contribute towards delivery of the Council's capital programme. Full details of the justification for this approach were outlined in 15 June 2011 Cabinet report, the outcome of which was to proceed with the closure of the existing centre and to dispose of the surplus asset.
- 1.2 Cabinet received a further report on 19th October 2011 regarding the outcome of a call-in and Scrutiny review. The October Cabinet resolved that 'Members reaffirm the Cabinet decision made on 15 June 2011 with the additional recommendations to: commit to undertaking a

rigorous public consultation process, supported by any preferred purchaser, prior to the submission of any planning application for development of the subject land; that any marketing particulars clarify the Council's expectation of compliance with the current policy regarding the provision of affordable housing (in compliance with Council policy); the potential for inclusion of a convenience store and; that the outcome of the public consultation process be reported back to Cabinet as part of any final report to dispose of the subject land.

- 1.3 The above Cabinet decision was predicated upon the expectation of achieving a comprehensive treatment of the former Recreation Centre site and surrounding area. There was agreement that any redevelopment of the site should be housing-led, including provision for the retention or relocation of the Bowling Green and 3G pitch (with the proviso of local community-led management)
- 1.4 The above option was preferred because it was considered to strike a balance between the simple realisation of a capital receipt with the longer term improvement and sustainability of the Knutton village community. Taking these issues into consideration it was agreed that engaging suitably-qualified specialist advisors to prepare both marketing particulars for sale of the subject land and a planning brief was the most appropriate way forward.
- 1.5 Redevelopment of this site provides an opportunity to continue the investment which has taken place in the Knutton/Cross Heath area in recent years (including refurbishment of the Knutton Terraces, the new Children's Centre, Millrise Extracare, and Charter Road redevelopment together with associated environmental improvements and significant investment in The Wammy).
- 1.6 Officers could now undertake a 'soft market testing' exercise with a number of housing developers to see what appetite there is for housing development on the site once cleared. Potential developers could then, potentially in conjunction with the Council, undertake public consultation in advance of firm plans being drawn up to establish the strength of local opinion about the form of re-development which might take place here. There is a market view on this as well as a community view as these factors each have a bearing on the viability of a development scheme and one of the tasks facing the developer is to explain what community benefits can realistically be afforded by a housing scheme.
- 1.7 It remains vitally important to achieve a balance between the potential regeneration legacy / community benefits of any redevelopment scheme at Knutton and the implications on the Council's capital programme priorities of a potentially reduced capital receipt.
- 1.8 It is important to note that the interim management of the former Recreation Centre premises – in order to support the operation of the three-quarter size 3G pitch – is proving challenging because, from time to time, it has attracted anti social behaviour. Additionally members should be aware that utilisation of the pitch and the associated income has dropped dramatically since the end of the football season. Members will be aware that the pitch hire is in direct competition with full size pitches at Newcastle College and Chesterton Community Sports College.
- 1.9 Finally members should be aware that the County Council – prompted by a strategic review of its property interests – has agreed to explore the potential for relocation of the current Enterprise Centre premises (which adjoin the former recreation centre site) in order to facilitate a more comprehensive redevelopment scheme. Preliminary consultation has been undertaken with tenants and the objective would be for a new purpose-built centre to be developed within a convenient distance from the current site. Such a scheme should improve the quality of the business premises offer (more efficiently designed).

2. Issues

- 2.1 There are a number of issues which need to be explored further to ensure that the appropriate balance is struck between not only community aspirations and regeneration benefits but the financial considerations. Consequently a report was presented to the Economic Development and Enterprise Overview and Scrutiny Committee on 28th June 2012 framed around a number of key lines of enquiry which officers felt were the most salient. For the sake of consistency this report is framed in a similar way in this section of the report. Members will note the comments made by the Scrutiny Committee at para. 2.1.10.
- 2.1.1 *To what extent does the Council wish to prioritise the maximisation of receipts from the disposal of its land, or to maximise the opportunity to regenerate Knutton through investment in retail, community, recreational and environmental investment?*
- 2.1.1.1 Unavoidably there is a tension between community ambitions / regeneration and realising a receipt for the land and this can only be resolved by agreeing the weight that the Council places on these objectives. For instance, the Council may wish to link the disposal of the site with the provision of some community benefits, such as the inclusion within the housing scheme of a re-sited bowling green or the retention of the existing provision. It should be noted that the most recent Cabinet resolution provided for the latter along with retention or re-siting of the 3-G pitch, subject to local (community-led) management arrangements.
- 2.1.1.2 At this stage Cabinet might prefer to await the outcome of both the community consultation and corporate budget-setting processes before making any firm decision in this regard.
- 2.1.2 *What level of community provision (both in terms of public meeting space and recreational facilities) is required in Knutton, given the level of provision of such facilities within the wider catchment area?*
- 2.1.2.1 This will be informed by the borough-wide review of community centres, shortly to be undertaken. It is recognised that any loss of facility, not replaced may be opposed by the local community, but again this matter can be brought out in the planned public consultation.
- 2.1.3 *If the Council proposes to consolidate or establish a community hub of the village, would this be better located off the High Street (i.e. as part of plans for this redevelopment), or would it be better to use part of the receipt from the disposal of the site for housing to invest in the refurbishment of existing facilities (such as the community centre at the junction of Knutton Lane and Lower Milehouse Lane)?*
- 2.1.3.1 This is partly a finance/value for money issue and partly a locational issue; again it is considered that the outcome of the public consultation, community centres review and wider capital programme planning will all need to be weighed before a firm decision can be made.
- 2.1.4 *Would the inclusion of a small retail unit enhance the High Street or would the possible impact this may have on existing small shops be too great a price to pay for this?*
- 2.1.4.1 The main consideration here is whether the Knutton High Street would benefit from the provision of a small convenience store (of the Spar, Co-op, Circle K variety) to help give the village a greater sense of focus with a small commercially-led centre or would members consider that this might damage the viability of existing local shops. Of course the inclusion of such provision within any scheme might adversely affect the marketability of a housing scheme. The existing Cabinet resolution allows for this matter to be tested through the public consultation and developer engagement process.

2.1.5 *Would the Council be able to secure greater interest in the site for housing development if part of the required number of affordable housing properties (25% of the total) were to be provided on other Council-owned site(s) nearby?*

2.1.5.1 Officers consider that it might assist in the discussions with prospective developers if additional land were scoped into this development opportunity in order to provide greater flexibility in any preferred scheme. A further issue in terms of new housing provision is whether there are any particular types of properties that are required by the local community which might lend themselves to alternative sites. There could be townscape benefits of including under-utilised sites too.

2.1.6 *Would the existing 3G pitch be better re-located from the site to another site in the wider Knutton area (e.g. The Wammy or beside the community centre)?*

2.1.6.1 There would, of course, be a cost to its re-location but, equally, its retention within a new housing development would impact adversely on the marketability and amenities of the site and therefore any receipt that the Council might expect from the disposal of the site. In theory the same question could be posed in relation to the bowling green, though this would not have a similar negative impact on the marketability of the site for housing development. At this stage, given the apparent under-utilisation of the facility (given the availability of numerous alternative pitches) officers feel that this matter should be included within the public consultation supported by factual information about alternative provision and any evidence of strategic needs.

2.1.7 *The value (and future management) of the 3G pitch.*

2.1.7.1 There is still a claw back of around £75,000 by the Football Foundation if the Council were to close it down. An option could be for the Council to contact the Football Foundation to see if they would revise the agreement (approximately 14 years remain) if the facility was used by the community, but not in accordance with the grant conditions until the possibility of new community facilities being provided either on or off site was resolved. The other comments in the preceding paragraph apply too.

2.1.8 *Would the Borough Council be advised to market its landholding jointly with that of the County Council in order to secure a more comprehensive scheme?*

2.1.8.1 There is an appetite from the County Council to work with the Borough on such an approach in order to promote a form of development that has a much more beneficial impact on the townscape/urban form of this central part of the village. Of course a significant consideration would be for the County Council to satisfy itself that there is a business case for the re-provision of the Enterprise Centre (officers have been advised that initial indications, from a desk-top exercise, suggest that this would be feasible). An additional factor to weigh here is the market response to the scale of housing land potentially coming on to the market at more or less the same time.

2.1.9 *What is the best way to consult the public over the Council's plans for the area (given the Council's clear 'interest' in promoting the development of land in its own ownership)?*

2.1.9.1 Recent discussions with Staffordshire University indicate that there would be an opportunity for them to support such a process in order that it is seen as more objective and independent.

2.1.10 The Economic Development and Enterprise Overview and Scrutiny Committee considered this matter on 28 June 2012, in summary:

- (a) they reinforced the decisions made in 2011 regarding the need to have proper community consultation and supported the proposal to utilise an independent body;

- (b) supported the joint working with the County on the understanding that the enterprise units would be re-provided;
- (c) recognised the need to maximise the receipt to support regeneration in the area;
- (d) requested that some of the receipt be utilised to reinvest in the existing Community Centre subject to the Community Centre Review;
- (e) highlighted the need for the playground to be retained within the site;
- (f) highlighted that subject to the eventual planning process that it would be preferable to have a good quality housing scheme rather than retail or industrial use.

These resolutions arose from consideration of the issues listed above; however resolution (d) was suggested by Scrutiny as a fresh issue. In considering whether some of the receipt should be retained for reinvestment into the existing Community Centre, consideration needs to be given to the future use of the centre along with the likely demands and priorities within the Council's overall capital programme.

Cabinet members will need to consider whether there are compelling arguments to address this matter at this stage. It may be considered premature to be contemplating the redistribution of any receipt from the disposal of the Council's land/property interests without the benefit of a properly costed development appraisal and a clear understanding of any capital investment needs of this particular centre.

At this stage officers would recommend that any capital funding requirements for the Knutton Community Centre should be considered as part of a future report which will review, comprehensively, the issues and factors relating to the long term provision and management of all Community Centres across the borough.

3. **Options Considered**

- 3.1 Through considering this report it is intended that Members give their views in order to give direction to the development of the plans and the process by which the potential schemes are taken forward.
- 3.2 Subject to members views the Council could continue with the approach of seeking interest from private house builders to undertake community consultation. An alternative would be for the Council to proactively commence consultation with the community with the support of external agencies.
- 3.3 Staffordshire University have offered themselves as a potential 'honest broker' between the landowners/developers (both of which might be seen as profit driven) and the local community to develop an approach to engaging local people and other stakeholders about regeneration plans for the area.

4. **Proposal**

- 4.1 It is proposed, subject to Members views, to investigate the prospects of taking forward a joint disposal process (comprising land owned by both the Borough and County Councils) supported by a public consultation process led by an external agency such as Staffordshire University. In line with procurement regulations this support will be competitively tendered.

5. **Outcomes Linked to Sustainable Community Strategy Corporate Priorities**

- 5.1 Proposals for the redevelopment of this site fall within the Council's priority of 'Creating a Borough of Opportunity'. It will also have implications for the Council's policies on the environment and sustainability.

6. **Legal and Statutory Implications**

- 6.1 The Council is not under any statutory duty to act but is under a duty to seek 'best consideration' when disposing of any land.

7. **Equality Impact Assessment**

- 7.1 No discernable differential impact has been identified by the possible disposal of this site. There will be a requirement that 25% of any housing built on the site shall be 'affordable'.

8. **Financial and Resource Implications**

- 8.1 At the time that Cabinet decided to dispose of the former recreation centre site it was expected that the capital receipt from the sale of the site might realise around £1million gross, subject to addressing restrictions that the County Council retain over the site and any costs arising from other constraints (including retention or provision of recreation facilities, inclusion of affordable housing), all of which would reduce any receipt significantly.
- 8.2 There is a claw back clause associated with the 'Football Foundation' grant for the Astro turf (3G) pitch (on a sliding scale over 21 years). If the pitch was to be removed this currently stands at around £75,000 and therefore your officers have assumed that it should remain in order to improve the viability of any redevelopment scheme. The three key issues that will inform members' decision about retention or removal of the pitch will be: (a) the appetite of local community groups to take responsibility for the long term maintenance and management of the facility (b) any prospective developer's view in this regard and (c) whether there is any evidence of ongoing need for this facility.
- 8.3 There would be a cost to commissioning the preparation of any site-specific brief and marketing particulars; at the time of the original decision to dispose it was intended that these costs would be met from any subsequent capital receipt. The Council now has approximately £25,000 "Transition Funding" from the former Renew Programme which could be used to pay for the costs of market testing and local consultation.
- 8.4 Clearly there would be capital costs arising from any decommissioning/demolition works as well as for the establishment of any interim use. There may also be interim costs arising from holding the redundant asset (e.g. NNDR). All such details would be the subject of a later report as the programme for redevelopment is formulated.
- 8.5 The other consideration relates to the matter raised during the recent scrutiny review process which identified the desirability of directing part of any capital receipt into the refurbishment of the existing Knutton Community Centre. As described above any such decision could be regarded as pre-emptive in relation to any identified priorities within the Council's future capital programme. In short any decision to direct funds in this manner would reduce the availability of funding for other capital projects. Also any such decision would be premature in advance of the outcome of the comprehensive review of Community Centres provision.

9. **Major Risks**

- 9.1 The key risk is the uncertain level of demand for the redevelopment of the site. This will have three main consequences – a delay in providing the Council with a capital receipt; a delay in delivering regeneration in the centre of Knutton and; the potentially damaging effect on local morale of prolonged land vacancy (including the ongoing site management issues including matters such as anti-social behaviour, site security, etc).

10. **Key Decision Information**

- 10.1 This proposal has the potential to generate a significant capital receipt for the council to support the execution of the Council's Capital programme and to continue the regeneration of a key neighbourhood of the Borough.

11. **Earlier Cabinet/Committee Resolutions**

- 11.1 Cabinet resolved on 15 June 2011

(a) That officers be authorised to take the necessary steps, in consultation with the relevant Portfolio Holder, to dispose of the Knutton Recreation Centre site for redevelopment as soon as practically possible after the new Jubilee 2 centre is completed.

(b) That the redevelopment of this site should be primarily housing-led with provision also made for a replacement bowling green and pavilion and the potential for a small convenience store.

(c) That, in principle, the existing '3G' football pitch should be retained and options for its future local/community-led management arrangements be explored (including the bowling green), the outcome of which would be reported to Members.

(d) That consideration be given to the inclusion of adjoining land in the Council's ownership in order to optimise the prospects of securing a comprehensive redevelopment scheme.

(e) That officers be authorised to engage suitably qualified specialist advisors to prepare both marketing particulars for sale of the subject land and a planning brief.

- 11.2 The Cabinet decision was called in and the Overview and Scrutiny Co-coordinating Committee (19 September 2011) reviewed the decision made by Cabinet. They requested that Cabinet consider: The block booking of the Gordon Banks Sports Centre, the mix of affordable and social housing, full consultation with residents, users and other interested parties, the impact of a convenience store, parking provision and concerns at Jubilee 2.

- 11.3 The October Cabinet resolved that 'Members reaffirm the Cabinet decision made on 15th June 2011 with the additional recommendations:

(a) that the Council commits to undertaking a public consultation process supported by any preferred purchaser prior to the submission of any planning application for development of the subject land;

(b) that any marketing particulars clarify the Council's expectation of compliance with the current policy regarding the provision of affordable housing and the potential for inclusion of a convenience store.

(c) that the outcome of any public consultation process be reported back to Cabinet as part of any final report to dispose of the subject land.

- 11.4 The Economic Development and Enterprise Overview and Scrutiny Committee considered this matter on 28 June 2012, in summary:

- (a) they reinforced the decisions made in 2011 regarding the need to have proper community consultation and supported the proposal to utilise an independent body;
- (b) supported the joint working with the County on the understanding that the enterprise

- units would be re-provided;
- (c) recognised the need to maximise the receipt to support regeneration in the area;
 - (d) requested that some of the receipt be utilised to reinvest in the existing Community Centre subject to the Community Centre Review;
 - (e) highlighted the need for the playground to be retained within the site;
 - (f) highlighted that subject to the eventual planning process that it would be preferable to have a good quality housing scheme rather than retail or industrial use.

12. **List of Appendices**

None.

13. **Background Papers**

None.