

**SOLIHULL METROPOLITAN BOROUGH COUNCIL**

<b>Report to:</b>	Cabinet
<b>Meeting date:</b>	24 July 2014
<b>Subject/Report Title:</b>	<b>POWERGEN SITE, HASLUCKS GREEN ROAD, SHIRLEY</b>
<b>Report from:</b>	Director of Resources
<b>Report Author/Lead Contact Officer:</b>	Mike Swallow. Head of Strategic Land and Property
<b>Wards affected:</b>	<input type="checkbox"/> All Wards <input type="checkbox"/> Bickenhill <input type="checkbox"/> Blythe <input type="checkbox"/> Castle Bromwich <input type="checkbox"/> Chelmsley Wood <input type="checkbox"/> Dorridge/Hockley Heath <input type="checkbox"/> Elmdon <input type="checkbox"/> Kingshurst/Fordbridge <input type="checkbox"/> Knowle <input type="checkbox"/> Lyndon <input type="checkbox"/> Meriden <input type="checkbox"/> Olton <input checked="" type="checkbox"/> Shirley East <input checked="" type="checkbox"/> Shirley South <input checked="" type="checkbox"/> Shirley West <input type="checkbox"/> Silhill <input type="checkbox"/> Smith's Wood <input type="checkbox"/> St Alphege
<b>Public/Private report:</b>	Public
<b>Exempt by virtue of Paragraph:</b>	N/A

<b>1. Purpose of Report</b>	
1.1	To update Cabinet on progress of negotiations between the land owners of the Powergen site.
1.2	To note and comment on the latest proposals included in the masterplan for the redevelopment of the Powergen site.
1.3	To consider the Heads of Terms for entering into a Development Agreement between the three land owners and approve further negotiations on the terms and drafting of the Agreement.
1.4	To consider and comment on the proposed consultation process for further evolution

of the masterplan for the redevelopment of the site.

## **2. Decision(s) Recommended**

- 2.1 To note and comment on the latest proposals for the redevelopment of the Powergen site.
- 2.2 To approve further negotiations on the Heads of Terms for entering into a Development Agreement between the land owning parties and drafting of the Agreement.
- 2.3 To approve the consultation process for further evolution of the masterplan for the site.
- 2.4 To approve receipt of a further report on the outcome of the consultation process and negotiations on the Heads of Terms prior to entering into the Development Agreement.

## **3. Background**

- 3.1 The Council owns the freehold interest of the majority of the Powergen site with Asda having the benefit of a long leasehold interest with approximately 49 years remaining and a right to extend for a further 50 years.
- 3.2 The site has been vacant for a number of years following the speculative purchase of the long leasehold interest by Asda in 1996. Shirley Advance acquired and demolished a number of residential properties fronting to Haslucks Green Road at the point of the traffic light junction into the Parkgate Scheme.
- 3.3 Recognising the three key land interests required to deliver a comprehensive redevelopment of the Powergen site, Cabinet in December 2013 approved entering into an Co-Operation Agreement between the land owners. This Agreement has recently been concluded and commits Shirley Advance to working up a draft masterplan, carrying out soft market testing and, where possible, agreeing Heads of Terms with potential purchasers of individual plots.

## **4. Evaluation of Alternative Option(s)**

- 4.1 Following the decision of cabinet last December, the parties have continued to make progress in bringing the Powergen site forward for redevelopment.
- 4.2 The report from the Council's Strategic Land Advisors, CBRE, in the private section of this agenda, paragraph 3 of Schedule 12A of the Local Government Act 1972, sets out the outcome of the commercial negotiations on the Heads of Terms and the basis for drafting a Development Agreement between the three landowners. Cabinet is asked to consider and approve the draft Heads of Terms to enable the legal Agreement to be progressed. A further report will be brought to Cabinet for final approval of the commercial and development terms and whether the requirements of section 123 (best consideration) are met, prior to exchange of the Development Agreement.
- 4.3 Shirley Advance will, in addition to being a landowner, act as development manager. They, jointly with the Council, will undertake consultation on options for the masterplan. It is proposed that two sets of initial public exhibitions are undertaken on 11, 12 and 13 September and 25, 26 and 27 September at times to be confirmed. The events will take place at a venue in the locality and will be advertised in the local newspapers and on a project web site to be set up by Shirley Advance as well as the Council web site. Feedback will be reported back to Cabinet and be incorporated in a Statement of Community Involvement which will accompany any future planning

application.

4.4 The timetable for taking forward the redevelopment of the site is set out in the Co-Operation Agreement with the key headings as follows:

- Exchange conditional tripartite agreement – September 2014
- Site investigations and surveys – November 2013/October 2014
- Soft market testing – January 2014/October 2014
- Community/stakeholder consultation – June 2014/October 2014
- Planning Committee – February 2015
- Start on site – July 2015

4.5 The CBRE report in the private part of the agenda, paragraph 3 of Schedule 12A of the Local Government Act 1972, details the outcome of the soft market testing to date. In summary, a key element of the proposed masterplan, as it currently exists, continues to include a scheme for the Extra Care Charitable Trust together with a range of residential development options. There also remains strong interest in a pub/dinner offer but no interest for other leisure/hotel uses.

4.6 Asda continue to request inclusion of a petrol filling station as part of the overall masterplan. This will be subject to further planning enquiries and consultation.

## **5. Reasons for Recommending Preferred Option**

5.1 The proposed consultation process will include a range of options for inclusion in the masterplan. This will inform the evolution of the masterplan and scheme content.

## **6. Scrutiny**

6.1 This report has not been considered by OSMB.

## **7. Implications**

### **7.1 Delivery of the Council's Priorities**

The options/proposals in this report will contribute to the delivery of the following Council Priorities:

- Managed Growth – Implementation of the Local Development Framework
- Build Stronger Communities – investing in public realm and providing the right type of housing to meet local needs.

### **7.2 Policy/Strategy Implications**

The scheme proposals, subject to further evolution, are generally in accordance with the Local Plan.

### **7.3 Meeting the duty to involve**

The proposals will be subject to consultation as detailed in paragraph 4.3 above.

### **7.4 Financial Implications**

Implementation of the scheme will deliver a capital receipt to the Council on the basis detailed in the CBRE report in the private part of the agenda.

### **7.5 Legal implications**

Subject to Cabinet approval, a Development Agreement will be drafted between the

parties in accordance with the draft Heads of Terms

**7.6 Risk Implications**

Entering into the Co-Operation Agreement is designed to limit the risk exposure of the Council whilst exploring the optimum solution of delivering the redevelopment of the Powergen site.

**7.7 Statutory Equality Duty**

The equality implications relating to the proposed masterplan for the redevelopment of the Site will be subject to a Fair Treatment Assessment, the findings of which will inform future recommendations following the outcome of the consultation exercise.

**7.8 Carbon Management/Environmental**

None arising out of this report.

**7.9 Partner Organisations**

There are no partner implications arising directly out of this report.

**7.10 Safeguarding/Corporate Parenting Implications**

None as a direct result of this report.

**7.11 Customer Impact**

None as a direct result of this report.

**7.12 Other implications**

None

**8. List of Appendices Referred to**

8.1 CBRE report in the private part of the agenda.

**9. Background Papers Used to Compile this Report**

9.1 None

**10. List of Other Relevant Documents**

10.1 None.