

TRAFFORD COUNCIL

Report to: Executive
Date: 26 June 2017
Report for: Decision
Report of: Executive Member for Housing and Strategic Planning

Report Title

Warrener Street Site, Sale Moor

Summary

In December 2015 the Leader of the Council rejected a proposal to dispose of the Council owned Warrener Street Car Park to Kirkland Developments Ltd for a proposed 1,615 sq.m foodstore.

In June 2016 the Council commissioned Cushman and Wakefield to undertake an Options and Feasibility Study of the car park site, and adjoining third party land. The completed Study has identified a preferred option for a mixed use scheme which is deliverable and best serves local economic need and the aspirations of the community.

Following completion of the Study, the Council needs to identify the optimum delivery approach for the site, particularly in the context of its Investment Strategy.

Recommendation(s)

The Executive are recommended to approve that:

- The preferred option of the Warrener Street Options and Feasibility Study will form the Council's strategy to take forward the Warrener Street site.
- The Director of Growth and Regulatory Services be delegated authority to progress the delivery strategy for the site and enter discussions with third party land owners.
- The site be added to the Land Sales Programme once the delivery strategy is confirmed.

Contact person for access to background papers and further information:

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Appendix One: Warrener Street Options and Feasibility Study (March 2017)

Background Papers:
None

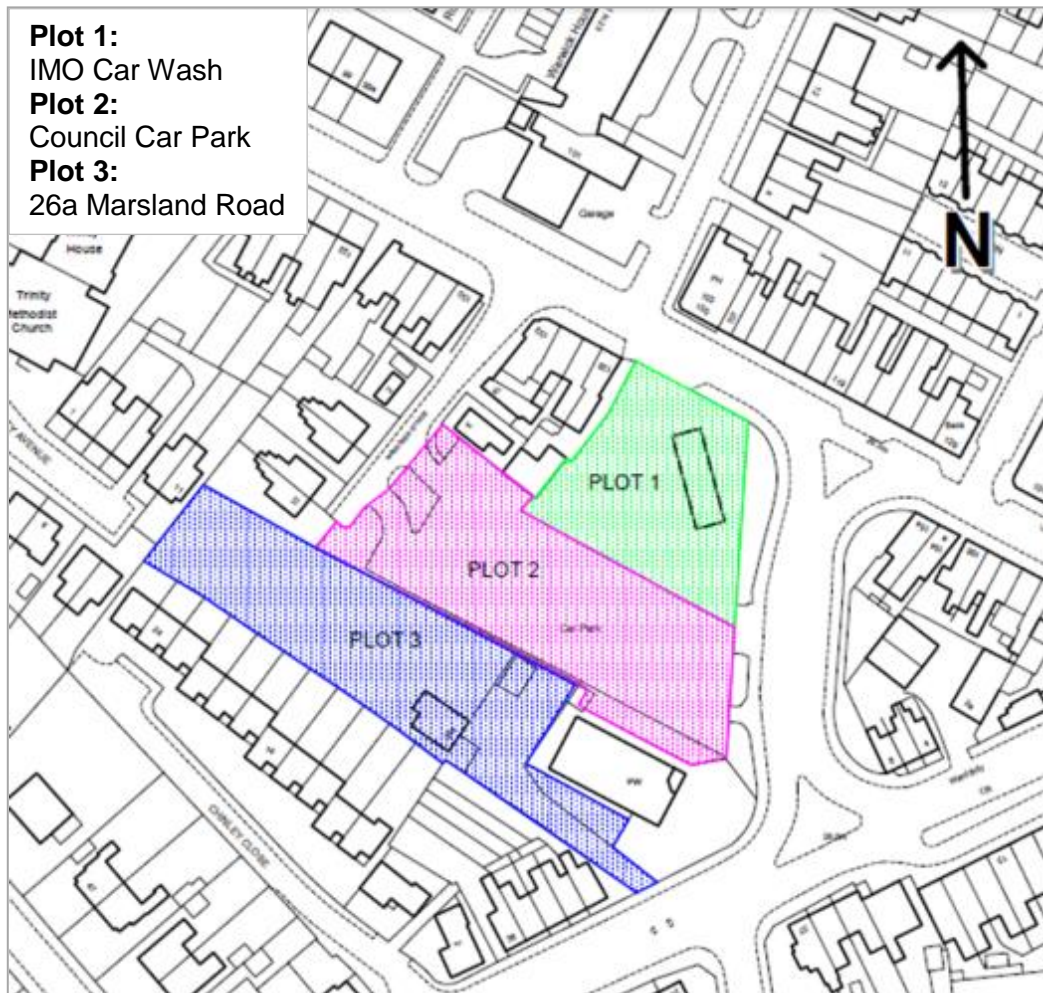
Implications:

Relationship to Policy Framework/Corporate Priorities	The proposed development of the Warrener Street site supports the Council's corporate priority for Economic Growth and Development and the delivery of the adopted Trafford Local Plan: Core Strategy.
Financial	There is potential for the generation of a capital receipt from the sale of the site, although specific financial implications are not yet quantified and will be developed alongside the delivery strategy by the end of September 2017.
Legal Implications:	None as a consequence of this report.
Equality/Diversity Implications	None as a consequence of this report.
Sustainability Implications	The delivery of development on the site will need to meet current policy in relation to sustainability.
Resource Implications e.g. Staffing / ICT / Assets	Existing staff resources have been identified to support the delivery of the site. The development of the car park will provide a mechanism for the Council to maximise the potential of its asset.
Risk Management Implications	A specific risk register for the delivery of the site will be prepared as the project progresses.
Health & Wellbeing Implications	The potential inclusion of a new health centre within the development would support improved health and wellbeing.
Health and Safety Implications	None as a consequence of this report.

1.0 Background

- 1.1 The Warrener Street Car Park is owned by Trafford Council and provides 93 surface level car parking spaces in Sale Moor District Centre.
- 1.2 In December 2015 Kirkland Developments Ltd submitted a planning application (87339/FUL/15) for the development in Sale Moor of a 1,615 sq.m food store and two residential units on land encompassing the Warrener Street car park, the IMO car wash, and 26a Marsland Road (a private dwelling on a large plot). Prior to this submission there was considerable public opposition expressed in relation to the proposed development from both the residents and traders of Sale Moor. The Kirkland planning application was subsequently approved by Trafford Council Planning Committee in June 2016.
- 1.3 The Leader of the Council rejected a proposal for the Council to dispose of the Warrener Street Car Park site to Kirkland in December 2015, and requested that an options appraisal for the site be completed to consider potential development opportunities and undertake consultation with the local community.

Figure 1: Warrener Street Site



2.0 Options and Feasibility Study

- 2.1 In June 2016 the Council commissioned Cushman and Wakefield to undertake an Options and Feasibility Study incorporating the Council owned car park and privately owned the IMO car wash and 26a Marsland Road sites. The Study has scoped,

developed and assessed a range of options against set criteria to identify the approach which best serves the local economic need and aspirations of Sale Moor, whilst recognising that any development will need to be attractive to the market, viable and deliverable.

- 2.2 The initial emerging options developed by Cushman and Wakefield were tested with local residents and businesses at public consultation in September 2016. The initial public consultation did not identify a single preferred option for the site but did reveal key aspirations and concerns. In response to the feedback received, a number of further development options were prepared which better met local objectives but remained deliverable; these final options were presented at a second public consultation event in November 2016.
- 2.3 The final options tested at this event were:
- Option 1 - Do Nothing
 - Option 2 - Approved Kirkland Scheme
 - Option 3 - Revised Kirkland Scheme (incorporating a smaller food retailer)
 - Option 4 - Mixed Use Scheme
 - Option 5 - Leisure Use
- 2.4 A total of 63 responses were received which ranked these options in order of priority as follows:
1. Mixed Use / Do Nothing
 2. Leisure Use
 3. Revised Kirkland Scheme
 4. Approved Kirkland Scheme
- 2.5 Whilst the do nothing option scored highly, there is recognition from residents and stakeholders that this does not bring any additional benefits to Sale Moor. Furthermore, it is unlikely to be a long term solution given the aspirations of the landowners of the adjoining plots and it is considered that the car park is likely to continue to be of interest to developers in the medium to long term.

The Preferred Option

- 2.6 The findings of the Study demonstrate that the approved Kirkland scheme does not meet the aspirations of the local community and an alternative preferred option has therefore been identified that better meets the options assessment criteria as a whole.
- 2.7 From the final options testing, Cushman and Wakefield developed a preferred option for the potential development of the Warrener Street site based on Option 4. This has been identified as the preferred option that best meets both the assessment criteria in terms of deliverability, viability and regenerative benefit to Sale Moor, whilst supporting the aspirations of the majority of local residents and businesses who responded to the consultation.
- 2.8 The preferred option is illustrated in Figure 2 below and incorporates:
- A new convenience food store (c.460 sq.m)
 - 16 new homes (8 x 2 bed apartments and 8 x 3 bed semi-detached)

- 50 public car parking spaces (plus staff and resident parking)

Figure 2: Warrener Street Preferred Option



2.9 The preferred option retains some degree of flexibility to respond to market interest and remain viable. For example, potential has been identified for a health centre at the site driven by the Trafford Clinical Commissioning Group’s (CCG’s) emerging aspirations and this could be incorporated into any mixed use scheme in the future. The local community and stakeholders will be consulted further as the detail of any mixed use scheme for the site is progressed.

2.10 The preferred option was subject to a further round of public consultation in January 2017. Respondents made broadly positive comments in relation to the preferred option, although it was noted that concerns remain regarding the potential highways impact. These issues would be dealt with as part of any future planning application process in relation to the site.

3.0 Delivery Strategy

3.1 The completed Study has demonstrated that development of the Warrener Street Car Park site is likely to be undeliverable in isolation, and third party land will be required to deliver the preferred option (i.e. the IMO car wash, land fronting 10 Warrener Street and/or 26a Marsland Road). In identifying the optimum delivery option the Council needs to consider the site in the context of its Investment Strategy and determine:

- The role the Council wants to take in supporting development at the site.
- The level of control sought over development outputs.
- Any potential for prudential borrowing.
- The appetite to risk.
- The desire to secure any new revenue streams.

3.2 There are three broad options available to the Council in progressing delivery of development on the site. These options are set out in Table 1 below:

Table 1: Delivery Options

Delivery Option	Summary	Suitability
1. Direct Development	The Council would need to acquire plot 1 and/or plot 3 and potentially land fronting 10 Warrener Street by negotiating an offer to purchase third party land ownerships and assemble a site for a comprehensive redevelopment with the car park. The Council could then directly procure a developer / contractor via a competitive tendering process to bring the site forward according to the Council's specification. On completion the development could be sold or let.	This option would allow the Council to retain full control of the development in accordance with its objectives and also influence the pace and timing of delivery. However, there would be significant cost implications in the short term and the Council would carry all the financial risks associated with the development. The Council would have the opportunity to generate a long term revenue stream (e.g. from rental income or ground rents) and/or a capital receipt.
2. Joint Venture / Special Purchaser	The Council would need to agree an approach to development with the owner of plot 1 and/or 3 and potentially land fronting 10 Warrener Street as part of a joint venture or special purchaser arrangement subject to a development agreement. The site could then be brought forward for a comprehensive redevelopment. On completion, the development could be sold or let.	Under this option the Council would not have full control of the development although it could set out agreed requirements as part of the joint venture / development agreement. The financial risks associated with the development would be shared. Depending on the nature of the joint venture / development agreement, the Council could have the opportunity to generate a long term revenue stream and/or a capital receipt.
3. Open Disposal	The Council could take the car park site to market for disposal but with a requirement that potential purchasers demonstrate how they will incorporate plot 1 and/or 3 and potentially land fronting 10 Warrener Street to provide a deliverable development scheme. The site would be taken direct to market through a tender process, against which an unlimited number of bidders could submit a response.	This option would involve the disposal of the car park site generating a capital receipt for the Council. However, there would be limits on the potential to control the final development outputs and limited opportunities for long term income generation. There is also the risk of not attracting an interested party, particularly given the requirement to incorporate plot 1 and/or 3 into any future development.

3.3 Whichever delivery option the Council chooses to progress, it should be mindful of the significant local concerns that have been raised throughout the completion of the Study. Responding appropriately to local concerns (particularly with regards to scale, massing, the loss of any car parking, and the impact on highways) will help to ensure public support for the proposed approach.

4.0 Other Options

4.1 The Council could chose to retain the existing car park in its current form. However this is considered unlikely to be a long term solution given the aspirations of the landowners of the adjoining plots. Furthermore, this would not bring any additional benefits to Sale Moor or maximise the potential of the site.

4.2 The Council could dispose of the site to Kirkland for their original or revised scheme. However, the Study has demonstrated that there remains considerable public opposition to this. Also, whilst this would generate a capital receipt for the Council, it would not maximise the potential of the site or provide the Council with opportunities for revenue generation.

5.0 Consultation

5.1 The completed Study has been subject to extensive consultation with Members, stakeholders and the local community. The consultation has informed the development of the preferred option which now has broad public support. The Council has worked particularly closely with the We are Sale Moor Community Interest Company (CIC), established in January 2016 by local residents and businesses in response to their opposition to the original proposals by Kirkland. We are Sale Moor have now publicly stated that they feel the preferred option in the completed Study is ‘the best possible solution for the site’.

5.2 The public consultation undertaken to date has also identified that existing and increased traffic generation with associated congestion continues to be a significant concern to local businesses and residents regardless of whether or not development is delivered at the Warrener Street site. Whilst outside the scope of the Study, these issues will need to be considered as the detailed design of any future development is progressed and taken through the planning application process.

6.0 Next Steps

6.1 The development of the Warrener Street site is dependent upon third party land. It is recommended that the Council further explore delivery options 1 and 2 as set out above to inform the delivery strategy. Delivery option 3 should be discounted at this stage as it does not meet with the Council’s objectives for the site or the context of its Investment Strategy.

6.2 The final delivery strategy will be subject to further detailed feasibility work and progress relating to land acquisition. The Council will progress discussions with third party landowners to inform the assessment of delivery options 1 and 2 with a view that this is completed by September 2017. In determining between options 1 and 2 the Council will need to take account of deliverability, community aspirations and securing best value for its asset.

6.3 Once the delivery strategy is confirmed the site should be added to the Council's Land Sales Programme.

Reasons for Recommendation

The Executive is asked to approve the Warrener Street Options and Feasibility Study and delegate authority to the Director of Growth and Regulatory Services to enable the Council to progress more detailed work on the future development of the Warrener Street site.

Key Decision Yes

If Key Decision, has 28-day notice been given? Yes

Finance Officer Clearance ...GB.....

Legal Officer Clearance ...JB.....

CORPORATE DIRECTOR'S SIGNATURE



To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.