

Key Decision Required:	Yes	In the Forward Plan:	Yes
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CABINET

14 JUNE 2013

REPORT OF THE FINANCE AND ASSET MANAGEMENT PORTFOLIO HOLDER

A.4 LAND AT KIRBY ROAD AND MILL LANE, WALTON ON THE NAZE

(Report prepared by Andy White)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

Deferred from 17 May 2013: To consider the principle of disposing of land at Kirby Road and Mill Lane, Walton on the Naze, as shown on the attached plan (Appendix A).

EXECUTIVE SUMMARY

- A major retailer has obtained planning permission to develop a new food store off Kirby Road linked to potential further redevelopment of the adjacent Martello Caravan site.
- The retailer, developer and agents linked to the scheme have requested the disposal of part of the Council's land at Kirby Road and Mill Lane in order to provide an improved access to the Martello site to facilitate its redevelopment.
- It is proposed that the sale of the land is to the developer who will facilitate the wider development including the facilitating of the retailer's part of the overall package.
- The existing access to the site is unsuitable for the proposed redevelopment and the revision of the access would be necessary for the proposed retail development and future redevelopment in the later phases.
- Terms for the disposal of the land to the developer, including provisions to safeguard future access at a regeneration of the Mere, have been negotiated and further details on the nature of the terms are included in the report in Part B of this agenda.
- Owners of the Mere site raised concerns and Cabinet resolved to defer consideration of the disposal to allow the owners to seek assurance that access to their site would remain possible. At the time of writing the meeting with officers has not taken place. In the event that a further or revised recommendation is necessary a supplemental report will be prepared.

RECOMMENDATION(S)

That Cabinet resolves to dispose of the land, subject to their decision in relation to the proposed terms in Part B of this agenda.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The redevelopment of the site could contribute towards the following priorities:-

- Promote sustainable economic growth
- Regenerate the district and improve deprived areas

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The proposed disposal will generate a capital receipt and is in accordance with the framework set out in the Asset Management Plan and Capital Strategy and supports the Council's Medium Term Financial Strategy.

In the longer term the development of the site will lead to Council Tax and Business Rate growth that will support the Council's overall financial position and self-sufficiency.

The detailed financial implications are considered in the report in Part B of this agenda.

Risk

There are three main risks:

1. The potential to prejudice access for the redevelopment of the Walton Mere, an adjoining site identified in the framework for regeneration which will need to secure access via an improved Mill Lane. Although it was not possible to bring the site owners together and form a proposal for shared access the potential remains for access to the Mere to be provided by widening the existing Private Street using part of the Council's car park. Highway officers consider that the resulting two junctions could be allowable.

The area proposed for disposal seeks to retain sufficient land for a new visibility splay. Detailed terms can be agreed the final contract that allow mutual rights for highway alterations to both potential developments.

2. There is some risk that if the Council remains owner of the land it will be responsible for maintaining the drainage facilities, landscaping and other features in the planning proposals for the store. Equally there is some risk that if the Council does not own the area it will not be able to drain into the ditches or work on the bank to maintain and strengthen the road.

The terms negotiated seek to address these risks by selling the land while reserving rights for drainage and works. Further details of the terms are set out in the report in Part B of this agenda.

3. Recent news has highlighted a number of supermarket developments that will not be carried out directly. The Council has not received direct notification whether or not this is one such development. This presents a risk that there could be a delay between exchange and completion of contracts. This would place the council in a position of some uncertainty, not knowing for how long it has to maintain the land or whether it will actually receive the full capital receipt. There is also risk that the land is bought but that no development actually happens.

The Council can seek, in addition to the negotiated terms, to manage this risk by imposing a final date by which completion of the sale must take place and an option to buy the land back if the development does not happen within the validity of the current planning permission. Additionally the developer and retailer have provided a position statement giving assurance of the intention to begin construction within the next to years.

LEGAL

The action proposed is within the Council's discretionary powers.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

Area or Ward Affected

Walton

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Council is the freehold owner of around 1.2Ha of land including car park, highway, infrastructure and amenity space at Kirby Road and Mill Lane, Walton on the Naze. The extent of Council ownership is shown edged red on the attached plan at Appendix A. A major retailer, developer and agents have requested that the Council releases parts of its land to facilitate access to redevelopment proposals.

Planning permission for a new food store and petrol filling station has been given. The proposal

relates to the Walton Regeneration Framework which was adopted by the Council as a Supplementary Planning Interim Document in January 2010. This proposes that the Martello site is redeveloped for; 250 new homes; 5,000 sq ft of retail; 50 holiday homes; 20+bedroom hotel and a 25-30,000 sq ft retail store.

CURRENT POSITION

The Council's agents have negotiated with the retailer, agents and proposed developer and terms for the disposal of the land have been proposed. The terms involve a capital receipt, transfer of the whole area including the drainage ditches to the developer but retaining drainage and support rights related to the Councils retained land, particularly the road. Further details of the terms are included in the report in part B of this agenda.

The owner and agent of the Mere site contacted the Council in advance of the 17 May 2013 Cabinet meeting requesting that the decision be deferred while they seek reassurance that the terms proposed would allow the redevelopment of the Mere to take place. Cabinet agreed to defer the decision. At the time of writing officers are arranging a multi-party meeting to secure agreement on detailed terms that would reassure the Mere owners. In the event that this is not achievable within the scope of the report and recommendation as drafted a supplementary report will be provided at the earliest opportunity.

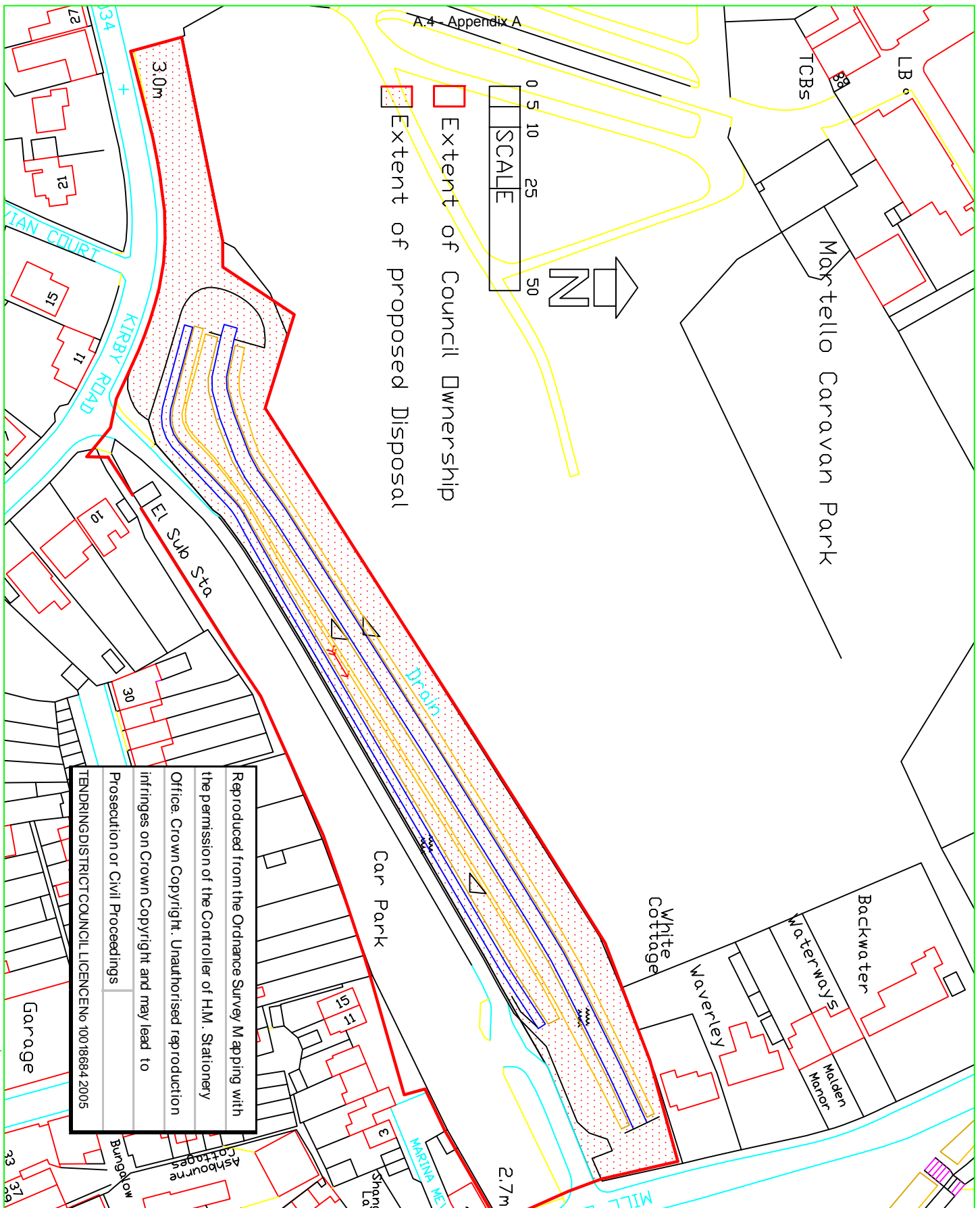
BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A – Location Plan

Appendix B – Developer/Retailer Position Statement



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Rev A. ARW. 25 Apr 13. Disposal extent revised. Key, scale bar and key added. HoD name revised

TENDRING DISTRICT COUNCIL
 M. KNAPPETT
 BA(hons). DMS.
 CORPORATE DIRECTOR: CORPORATE SERVICES

title: LAND KIRBY ROAD AND MILL LANE WALTON ON THE NAZE
drawing: LOCATION PLAN FOR POTENTIAL DISPOSAL

scale: 1:1250
drawn by: A.WHITE
date: 24 MAR 2011
drwg.No. 3 **revision** A

**MARTELLO LAND AND
PROPERTIES LIMITED**



LAND OFF KIRBY ROAD, WALTON POSITION STATEMENT

Tesco and Martello Land and Property are pleased the disposal process with the Council has progressed. Tesco and Martello Land and Property have invested a significant amount of time, effort and resources to bring forward this regeneration scheme for Walton-on-the-Naze and remain committed to it.

Martello Land and Property are the purchasers of the identified Council landholding and will make the site available to Tesco later this year, now that vacant possession matters with the Caravan Park operator have been resolved.

The Council's landholding is sought to assist the delivery of this regeneration scheme, helping to accommodate good pedestrian linkages between the site, town centre and surrounding area. This will reinforce the scheme's ability to act as a catalyst to wider investment in the area.

The risk of schemes not being implemented is a normal consideration in disposal matters, and whilst there are provisions included in the disposal agreement to address this, Tesco's current programme is to start on site in 18 months time, well in advance of the planning permission expiration in October 2017.

**Derek R Sayer JP FRICS
Martello Land and Properties Ltd**

**Ian Lawrence
Tesco Stores Ltd**

16th May 2013