

Report title: Carriageworks/Westmoreland House, Stokes Croft

Wards affected: Ashley

Strategic Director: Neil Taylor

Report Author: Jan Reichel

RECOMMENDATION for the Mayor's approval:

- 1. The appointment of Knightstone Housing Association as development partner is noted.**
- 2. The release of the funds allocated to the project in the Capital Programme is approved.**
- 3. That subject to:**
 - a) The council and the development partner entering a Development Agreement**
 - b) A planning consent being secured or an application having been made that is considered to have an acceptable prospect securing consent then**
 - i) the Council shall make a Compulsory Purchase Order or Orders under Section 226(1)(a) of the Town and Country Planning Act 1990 and if so required Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 and the Acquisition of Land Act 1981 and/or under the Planning (Listed Buildings and Conservations Areas) Act 1990 (exact powers to be exercised shall be subject to further detailed legal advice) all within 24 months from the date hereof, for the acquisition of land edged black as shown in Appendix 1, for the purposes of comprehensive re-development of the site.**
 - ii) That the Head of Legal Services be authorised to take all necessary steps to secure the making, confirmation and implementation of the Compulsory Purchase Order and to acquire the order land including any steps necessary to agree and pay compensation including negotiating and entering into agreements or undertakings with land owners setting out the terms for the withdrawal of the objections to the order, including where appropriate seeking exclusion of land from the order.**

Key background / detail:

a. Purpose of report:

To update on progress in the project, secure release of allocated Capital Programme funding and obtain Cabinets resolution to use compulsory purchase powers.

b. Key details:

1. Knightstone Housing Association has been selected as development partner and will now enter a development agreement and proceed to prepare to make a planning application.
2. The project has been allocated £675,000 in the Capital Programme and authority to release this funding to the project is required to enable the project to proceed.
3. The compulsory purchase resolution passed at Cabinet on 31 May 2012 needs to be renewed for a further 24 months.
4. An approach has been made by a third party claiming to have purchased an interest in the site. Whilst this is being investigated and a meeting arranged with the party the project strategy of site acquisition will be progressed.

**BRISTOL CITY COUNCIL
CABINET
4 March 2014**

REPORT TITLE: Carriageworks/Westmoreland House, Stokes Croft

Ward(s) affected by this report: Ashley

Strategic Director: Neil Taylor/ Interim Strategic Director Places

Report author: Jan Reichel/ Principal Project Officer
Nick Hooper/ Service Director, Strategic Housing

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Purpose of the report:

To update on progress in the project, secure release of allocated Capital Programme funding and obtain Cabinets resolution to use compulsory purchase powers.

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The proposal:

Background

1. A strategy to deal with the dereliction of the Carriageworks/Westmoreland House site was agreed at Cabinet on 3 March 2011. In the light of the continuing failure of the owner and the development market to redevelop this long derelict site of several decades the strategy proposed to secure regeneration by acquiring the property (by compulsory purchase if necessary) and selecting a development partner to bring forward development.
2. Following that decision the Council worked with the local communities (under the umbrella group Carriageworks Action Group) throughout 2011 to agree a vision for the site and a developer selection process. This involved extensive stakeholder, local and public consultation that resulted in a Community Vision being agreed at a Carriageworks Action Group (CAG) meeting on 15 December 2011.
3. A Cabinet report on 31 May 2012 approved the Community Vision and delegated authority to officers to select a development partner and enter the necessary development agreements. The Cabinet also resolved to use compulsory purchase powers within 24 months if a purchase of the site could not be agreed by negotiation.

Developer Selection

4. Throughout 2012/13 a developer selection process took place. The selection process used was Competitive Dialogue in accordance with European regulations. This opened the opportunity to as wide an audience as possible. The process included close representation from CAG including some members being trained to take part in the selection process.
5. A total of 18 organisations and companies considered the initial marketing brief. Three submitted expressions of interest.
6. Knightstone Housing Association (KHA) was selected as development partner by the project board in December 2013. In preparing their detailed proposals KHA undertook extensive public consultation over the autumn of 2013. The programme of consultation was devised and agreed with CAG.

Proposed Scheme

7. KHA's proposed scheme is shown on the plan at Appendix 2. The scheme is residential led and currently proposed to provide 104 apartments plus six 3 and 4 bedroomed family houses and 1100 square meters of commercial/community use on the ground floor. The commercial/community space opens up onto new public pedestrian areas. The proposal will now be worked up into a planning application for submission in the spring. Early discussions between KHA and the planning department indicates there are no planning issues that cannot be resolved.

8. The residential is to be mixed tenure. The current proposals consist of 50% Affordable Housing of which 32% is affordable rented, 18% shared ownership and 5% social rented (the family houses). Of the remaining 50%, 21% is open market rented and 24% is open market sale. These ratios will be subject to further discussion.

Financial Terms

9. The KHA proposals have been assessed as viable during the bid evaluation. Further information on the viability and financial terms is set out in confidential Appendix 3. That appendix has been made confidential due to commercial sensitivity including the need to negotiate purchase of the site either by agreement or CPO.

Funding

10. Details of the funding requirement of the project are set out in Appendix 3.

Third Party

11. As the Council was completing the development partner selection process the Council was contacted by a third party claiming to have purchased an interest in the property. This has been investigated and a company has purchased an option which allows them to buy the site from the owners if they meet specified conditions. Due to commercial sensitivity this issue is set out in more detail in confidential Appendix 3.

Compulsory Purchase

12. It is necessary to renew the original resolution of 31 May 2012 that authorised the use of compulsory purchase powers where such proves necessary. That resolution was time limited to 24 months. A CPO will not be made within that time frame as a planning consent will not be available until the end of 2014 or early 2015. It is therefore recommended that the resolution is renewed for a further 24 months.

Consultation and scrutiny input:

a. Internal consultation:

Legal Services – contract, Compulsory Purchase and procurement.
Project Team from Urban Design, Affordable Housing, Legal, Procurement
Scrutiny office – scrutiny input not required as this report is not an enabling report or change in policy.
Service Director Strategic Housing – Project Director

b. External consultation:

Carriageworks Action Group including stakeholders. Close engagement with the local communities and the public through and with CAG has been continuous since 2010/11. This engagement is proposed to continue until completion of development on site.
Homes and Communities Agency

Other options considered:

The Cabinet reports of 3 March 2011 and 31 May 2012 set out the other options considered:

- Attempts have been made over the last two decades to purchase the site by agreement or to encourage the owner to develop. None has been successful.
- Compulsory Purchase by the Council in isolation. The Council has considered this in the past on several occasions (in 1992 the Planning Committee considered a report

to CPO). This route needs a deliverable scheme and a development partner if a CPO is to be secured. The option to make a CPO to support site assembly will only be used if it is not possible to purchase the site by agreement.

- Do nothing and leave the site to the market to solve. This has not produced any results in the last 20 years.

Risk management / assessment:

FIGURE 1							
The risks associated with the implementation of the (subject) decision :							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
1	Failure to secure planning consent	Med	Med	Secure fully compliant master plan through close liaison with local community and planners	Med	Low	Jawahar De Sousa/Jan Reichel
2	Cannot agree purchase of property by agreement	High	High	Maximise offer to owner. Use CPO powers as final option	Med	Med	Jan Reichel
3	Failure to secure CPO	Med	High	Ensure grounds for CPO are robust	Med	Med	Joanne Mansfield
4	CPO compensation and costs exceed budgets	High	Med	Secure robust valuations advice to identify correct compensation. Manage CPO process to minimise costs. Identify funding to cover risk and finalise in Cabinet report.	High	Low	Jan Reichel/Joanne Mansfield
5	Owner seeks and/or secures planning consent thereby weakening CPO case whilst not securing development	Med	High	If owner progresses application then encourage acceptable application and progress to development	Med	Med	Jawahar De Sousa/Jan Reichel
6	Agree project funding	Med	High	Finalise in report to Cabinet	Low	High	Jan Reichel
7	After selection of development partner market/funding/external factors require changes to the scheme or terms that open the process to challenge.	Med	Med	Thoroughly risk assess any changes to identify and minimise risk. Include the community in all discussions.	Low	Med	Jawahar De Sousa/Jan Reichel
8	Approach from Third party claiming interest in site delays or derails project.	High	High	Thoroughly investigate claim and where confirmed work with third party to explore deliverable proposals. If not confirmed then proceed with site acquisition by agreement of CPO.	Low	High	Jan Reichel

FIGURE 2							
The risks associated with <u>not</u> implementing the (subject) decision:							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
1	A council led solution will not succeed and development will rely on the market	High	High	Encourage the owner to progress an acceptable solution and progress to development	High	Medium	
2	The HCA may recall the unspent grant	High	High	Liaise with HCA to identify strategy	Med	Med	
3	Community expectations not met	High	High	Work with owner/developer to ensure any scheme reflects expectations set out in Community Vision	High	Med	
4	Carriageworks listed building at	High	High	Work with owner and external agencies	High	Med	

Public sector equality duties:

The council is mindful of the need to foster good relations in the neighbourhood throughout this process and have therefore ensured that there has been full and effective consultation with diverse communities and businesses in the area around the Carriageworks to improve community cohesion.

The aim throughout the project has been to reach consensus with local communities in order to deliver an overall scheme that has the outcome in line with the community vision. As it is proposed that the development will seek to provide a mix of unit sizes and tenures it is important that on-going dialogue and communication with equalities communities continues through the design stage of the project so that any suggestions can either be incorporated into the scheme or be mitigated against if possible.

Advice given by Jane Hamill, Equalities Advisor, Equalities and Social Inclusion
Date 23 January 2014

Eco impact assessment

(This eco impact assessment is an update of the assessment performed for the Cabinet report of 31 May 2012)

The potential positive impacts of this project include improved local amenity, improved visual amenity, and provision for sustainable travel.

The potential negative impacts include those from any demolition and construction works which may take place which will consume non-renewable resources. Any new buildings constructed will create an ongoing energy demand.

Mitigation of these negative impacts will be achieved by:

- Meeting planning policy guidance BCS13-16 as laid down in Bristol City Council's Core Strategy 2011. In order to demonstrate compliance with the core strategy Sustainability Statements, which will include an Energy and SUDS strategy, will be submitted with planning applications.
- The development partner has submitted a range of proposals and commitments, including enhanced energy efficiency, solar pv, waste targets, walking & cycling provision, and the use of sustainable materials.
- The bid submitted by the development partner was assessed for sustainability by council officers. All elements were considered to be "competent" or "good".

Overall, the environmental impact of this proposal is negative.

Advice given by Steve Ransom, Environment Co-ordinator, Sustainable City & Climate Change Service
Date 17 January 2014

Resource and legal implications:

Finance

a. Financial (revenue) implications:

This is a capital scheme. There are no revenue implications at this stage.

Advice given by Geraldine Mead, Finance Manager, Capital & Treasury Management
Date 24 January 2014

b. Financial (capital) implications:

The site acquisition and other eligible costs will be covered by the grant secured from the Homes and Communities Agency together with a Council contribution, subject to approval of the 2014/15 -2016/17 Draft Capital programme. Details of the funding requirement of the project are set out in Appendix 3.

Advice given by Geraldine Mead, Finance Manager, Capital & Treasury Management
Date 21st January 2014

Comments from the Corporate Capital Programme Board:

None. Note: This report does not involve the commitment of new funds from the Capital Programme. The allocation has already been made and the report seeks the release of the funds to the project.

c. Legal implications:

The decision to make a compulsory purchase order (CPO) will engage the Human Rights Act 1998. This act incorporated into UK domestic law the European Convention on Human Rights (ECHR). The aim of the ECHR is to protect the rights of the individual.

Government guidance sets out that before a CPO can be made there must be a compelling case in the public interest. The Council must act in accordance with the ECHR in deciding whether or not to make a CPO. Article 1 of the First Protocol provides that every natural or legal person is entitled to the peaceful enjoyment of his possessions.

Compulsory acquisition of property involves the interference with a person's rights under this Article. These rights are enjoyed by corporate bodies as well as individuals and if their property rights will be affected by the compulsory acquisition of their property then the rights under the convention are engaged.

The right to peaceful enjoyment of possessions under this Article is a qualified rather than an absolute right as the wording of the Article permits the deprivation of an individuals' possessions where it is in the public interest and subject to conditions provided by law. The Council will need to balance the public interest and the individuals' rights whereby any interference with the individual's rights must be necessary and proportionate.

Proportionate in this context means any interference with the property rights must be no more than is necessary to achieve the identified legitimate aim. A fair balance must be struck between the rights of the individual and the public interest.

A CPO on this site will be a proportionate act as the aim of comprehensive regeneration of the site cannot be achieved without the site (as detailed on the attached plan) being acquired and used for the purpose of the project. The site will be acquired subject to the

conditions provided by law – CPO powers – and the owners of the site will have a statutory right of appeal.

Advice given by Shahzia Daya, Senior Solicitor, Place
Date 23 January 2014

d. Land / property implications:

The site is in private ownership. Any purchase by CPO will be accompanied by a back to back agreement with KHA as development partner under a development agreement. During the agreement the developer will be responsible for the site. The freehold of the site will eventually be transferred to KHA.

It should be noted the recommended resolution 3 (b) gives the project board the option of making a compulsory purchase order once a planning application has been made but before consent is secured. This could save 4 months on the programme. This decision will be considered by the board only where the application has wide support and it is believed consent is likely.

Advice given by Jan Reichel, Principal Project Officer
Date 14 January 2014

e. Human resources implications:

The Council will be securing additional consultant resources for compulsory purchase, as required. The cost has been included within the current budget resources. There are no redundancies/reductions or change implications as a result of this proposal.

Advice given by Sandra Farquharson / HR People Business Partner, Neighbourhoods and Place
Date 22 January 2014

Appendices:

- Appendix 1 The Site – Plan N4865b
- Appendix 2 Knightstone Housing Association's Proposed Site Layout plan.
- Appendix 3 Confidential – This appendix includes commercially sensitive financial information.
- Appendix 4 Eco Impact Checklist

Access to information (background papers):

Cabinet report 3 March 2011 entitled Westmoreland House/Old Carriage Works dated https://www.bristol.gov.uk/committee/2011/ua/ua000/0303_6.pdf

Cabinet report 31 May 2012 entitled Carriageworks/Westmoreland House, Stokes Croft https://www.bristol.gov.uk/committee/2012/ua/ua000/0531_6.pdf



LOCATION PLAN 1:2500 @ A3

KEY:

- RCC (Retail/Community/ Commercial)
- Flats
- Housing
- Circulation
- Bikes and Refuse Storage



SITE LAYOUT / GROUND FLOOR PLAN 1:500 @A3



CARRIAGEWORKS
CARRIAGEWORKS.ORG.UK

Developer
Knightstone Housing
carriageworks@knightstone.co.uk
www.knightstone.co.uk
tel 08458 729 729



Designer
gcp Chartered Architects
jonathan.platt@gcparch.co.uk
www.gcparch.co.uk
tel 0117 967 6286



Appendix 4

Eco Impact Checklist

Title of report: Carriageworks/ Westmoreland House				
Report author: Jan Reichel				
Anticipated date of key decision: 4th March 2014				
Summary of proposals: Appointment of new development partner, capital funding and CPO.				
Will the proposal impact on...	Yes/ No	+ive or -ive	If yes...	
			Briefly describe impact	Briefly describe Mitigation measures
Emission of Climate Changing Gases?	Yes	-ve	<p>Any demolition, refurbishment and construction of buildings and associated ongoing heating and lighting requirements of any new buildings will result in emission of climate changing gasses.</p> <p>In the longer term, any new buildings will increase the carbon footprint of the site.</p>	<p>See overall mitigation measures outlined in summary.</p> <p>All works will meet planning policy guidance BCS13-15 as laid down in Bristol City Council's Core Strategy 2011.</p> <p>Building energy efficiency to exceed legal requirements.</p>
Bristol's vulnerability to the effects of climate change?	Yes	-ve	<p>Any development work that takes place to support this proposal may:</p> <ul style="list-style-type: none"> -Place additional demand on the mains drainage system. - Increase water run-off by creating more impermeable surfaces. - Not be designed to cope with extreme temperature variations, or violent storms. - Increase water consumption. 	<p>In accordance with the Bristol Development Framework climate-related impacts will be considered as part of Sustainability Statements submitted with any planning applications for proposed development to demonstrate compliance with BCS 13-16.</p> <p>Site will include a SUDS strategy to ensure no net increase in water run-off</p>
Consumption of non-	Yes	+ve	Bringing a city-	Any new developments

renewable resources?			<p>centre site back into beneficial use provides for more sustainable modes of travel.</p> <p>In the short term fossil fuels and other non-renewable materials and products are likely to be used during any refurbishment and development works.</p> <p>In the long term any additional properties will consume fossil fuels for heating and power.</p>	<p>associated with the project will be accompanied by an energy strategy as part of Sustainability Statements.</p> <p>As per BCS14 the new developments will be required to show that they have applied the heat hierarchy.</p> <p>The development partner has committed to maximising the use of materials rated as A+ or A for sustainability in the BRE Green Guide.</p>
Production, recycling or disposal of waste	Yes	-ve	<p>In the short term, building material waste will arise from any construction, refurbishment and demolition works that may take place as part of this project.</p> <p>Waste will be produced through the normal occupation of the buildings.</p>	<p>Development partner has committed to divert at least 85% of construction waste from landfill</p> <p>The re-use of existing structures reduces waste</p> <p>A waste management plan will be submitted as part of the planning application</p>
The appearance of the city?	Yes	+ve	<p>Refurbishment of existing buildings and construction of new buildings alters the appearance of the city.</p>	<p>Appearance of the buildings will be considered as part of the planning application.</p> <p>The Old Carriageworks is a listed building - bringing it back into use will enhance its appearance and protect it from dereliction.</p> <p>New buildings are subject to normal planning controls, and community consultation.</p>
Pollution to land, water, or	Yes	-ve	The site may have	Contaminated land

air?		<p>been contaminated by previous activity.</p> <p>Any demolition and construction that takes place is likely to generate dust.</p> <p>New development has the potential to increase traffic movements, may worsen local air quality in the immediate area, increase noise, and increase sewage discharges and surface water run-off.</p>	<p>issues to be considered as part of the planning process.</p> <p>Where works will take more than 6 weeks to complete contractors will register with the considerate constructors scheme and as a minimum achieve a 'certificate of compliance' level.</p> <p>Any potential localised air quality impacts will be considered during the planning process.</p> <p>City-centre location provides for reduced reliance on private car transport. Car club parking will be provided</p> <p>Contractor will encourage cycling and walking through secure parking and a defined walk/ cycle route.</p>
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Wildlife and habitats?	Un-known	Demolition, construction and refurbishment may impact upon wildlife and habitat. For example, the current derelict structure may provide a habitat for species such as bats and housemartins.	Seek advice from the BCC Natural Environment Team. Further survey and mitigation measures may result. Opportunities to increase biodiversity in the development area will be investigated with the Natural Environment Team.
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Consulted with: Steve Ransom

Summary of impacts and Mitigation - to go into the main Cabinet/ Council Report

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Checklist completed by:

Name:	Jan Reichel
Dept.:	Place, Property
Extension:	24032
Date:	17 January 2014
Verified by Sustainable City Group	Steve Ransom