



CABINET

11 JUNE 2013

**DIRECTOR OF ENVIRONMENT, DEVELOPMENT & TRANSPORT: TONY CIABURRO
LGSS FINANCE DIRECTOR: MATT BOWMER**

CABINET MEMBERS WITH RESPONSIBILITY FOR:

**STRATEGIC INFRASTRUCUTRE, ECONOMIC GROWTH & PUBLIC PROTECTION:
COUNCILLOR ANDRE GONZALEZ DE SAVAGE**

FINANCE, PERFORMANCE & LGSS: COUNCILLOR BILL PARKER

Subject:	A14, Junction 9 Land Promotion
Recommendations:	<p>That Cabinet</p> <ol style="list-style-type: none"> 1. Approve the way forward for the development of a masterplan for Council owned land at A14 J9 Kettering to stimulate economic growth, environmental improvements and employment opportunities, as outlined in section 5 of this report; 2. In consultation with the Cabinet member delegate authority to the Director of Environment, Development and Transport to engage with key stakeholders throughout the detailed design stage to explore local de-centralised power generation to assist a sustainable proposal; 3. Approve that funding for the development of the proposal be through the Asset Utilisation Reserve as outlined in Section 8 of this report; and 4. Agree that a future Cabinet report will be presented with detailed information regarding land disposals, planning, future use recommendations, environmental sustainability strategy and a route to marketing for further consideration.

1. Purpose of Report

To highlight the significant opportunity to promote the development of Council owned land at A14 J9 and approve financial resources to enable a detailed study of options and with a view to developing a masterplan for the site and a strategy to take it to market.

2. Relevant Priority Outcomes

The content of this report supports the delivery of the following corporate outcomes:

Perspective	Outcome
Customers & Community - to achieve our vision, what will our customers see?	<ul style="list-style-type: none"> • A cleaner, greener and more prosperous county
Process - to satisfy our customers, what processes must we excel at?	<ul style="list-style-type: none"> • Shaping our county growth • Facilitating inward investment
Learning and Growth - to achieve our vision what must we learn, develop and improve?	<ul style="list-style-type: none"> • Effective Northamptonshire Enterprise Partnership
Finance – to finance our vision, what must we do efficiently, effectively and economically?	<ul style="list-style-type: none"> • Maximised income and funding • Exploited fixed assets

3. Background

- 3.1 As reported to previous Cabinet meetings the need for the Council to self generate its own capital using its assets remains a high priority, especially if the Council wishes to maintain a healthy capital improvements programme for the benefit of the customer and county residents without the need to overly borrow.
- 3.2 The Council's adopted Asset Utilisation Strategy (AUS) is mandated to maximise rationalisation, leading to improving the environment, stimulate economic growth and employment opportunities. Strategic land holdings, of which the council only has a few, if effectively developed should positively contribute towards these aspirations and the Council's single capital pot resource.
- 3.3 The A14 is a major gateway road network offering arteries to ports, and other motorways across the country and therefore is viewed as an important strategic link. During the past twelve months informal representation has been forthcoming from a range of interested parties seeking potential usage of the land off A14 J9 detailed in Appendix 1 of this report. Other developments to nearby A14 junctions have either already commenced/completed or outline schemes are being planned.
- 3.4 The Council owns substantial land immediately adjacent to A14 J9 which equates to approximately 60 hectares (148 acres). This land is currently let on a farm business tenancy agreement.
- 3.5 A high level review has been completed to ascertain possible development opportunities, range of uses, viability to deliver and demand as the basis for developing a more detailed masterplan. This has also taken into account site constraints, planning process and strategy, and the need to obtain best value. It is anticipated that as the masterplan develops it will respond to the need for public sector hubs, industrial units and a commercial offer.
- 3.6 Indicative land values as opposed to current use (£7.5k p.a. income) could range between £250-450k per acre depending upon actual development. This could mean that the current land value of the site, circa £1.2m, could be increased to a range of £20 - £45m, should planning permission for the development of the masterplan be

approved.

- 3.7 Recently the Council produced a prospectus regarding promotion of possible development which enabled outline positive discussion with Kettering Borough Council and promote interest with would-be developers.
- 3.8 Should A14 J9 proposals proceed then this would be a catalyst “subject to funding” for completing the Isham Bypass, a long awaited road scheme between Kettering and Wellingborough. Its provision could further improve the viability of the Council’s land holding for development.

Planning Issues

- 3.9 The site is not currently identified for development in the adopted North Northamptonshire Core Strategy (2008). However, the strategy is under review and new strategic employment sites are to be identified.
- 3.10 This site is supported by the Northamptonshire Strategic Employment Land Assessment (SELA) which states that ‘land at Kettering South should be examined as a regionally important location with good A14 Trans-European Network Route connectivity and likely to attract investment’. It indicates that in planning criteria terms the site would be most suitable for B1 i.e. office development, light industry, high performance research and/or B2/B8 i.e. industrial development, associated with leisure uses and including hotel and storage/distribution etc.

5. Way Forward

- 5.1 If the Council is to continue with its journey of maximising growth, development, economic and employment opportunities then the land holding at A14 J9 offers a real opportunity to make a significant impact.
- 4.2 Further in depth detailed work, including a range of impact studies, is required to give confidence to potential developers of a viable site for major development. This will include the necessary planning consents. It is anticipated this land could also offer an opportunity for joint public/private mix tenure and could well assist the Council addressing other longstanding property issues, for example a new fire station for Kettering, improving office accommodation, a new highway depot and possible opportunities for the Police.
- 4.3 The initial outline masterplan takes into account the need to develop low carbon solutions and be as self-sustainable as possible. This will be tested as the masterplan develops. Also to be explored will be ‘Local De-Centralised Power Generation’ - sources of energy in order to ensure that the development is environmentally sustainable and energy efficient.
- 4.4 It is proposed to engage a specialist land developer advisory company who has knowledge of the county and the immediate area to act as the Council’s agent to (a) develop the masterplan to a detailed proposal and (b) recommend/enable a route to market.

4.5 Development costs will be funded over two years from the approved Asset Utilisation Reserve.

4.6 It is intended to return to Cabinet following completion of the above to seek authorisation to declare all/part land surplus to requirements, dependant upon the detailed mix tenure use. It is anticipated that this detailed analysis to enable a planning submission and route to market will take up to 12 months to complete.

5. Consultation and Scrutiny

5.1 Outline consultation regarding the principle of development and potential alternative uses has periodically taken place with Kettering Borough Council and the North Northamptonshire Joint Planning Unit. Ongoing dialogue is expected to increase as land options and detailed plans progress.

5.2 To date there has been no dialogue with the farm tenant. This will occur as alternative use plans develop.

6. Alternative Options Considered

6.1 Do nothing, status quo remains: This would negate the Council contributing to economic growth within the Kettering and surrounding areas and miss or delay a development opportunity along the A14.

6.2 Market the site on a developer led basis: Whilst acknowledging this is a viable option it can be a lengthy process with the developer taking the majority of the risk but is rewarded for risk i.e. ultimately a reduced capital receipt for the Council.

6.3 A range of other options are expected to be identified as the masterplan develops to detail.

7. Financial Implications

7.1 It is anticipated that the cost to deliver planning consent, and therefore, enable a viable scheme to be put on the market is in the region of £275k in each of 2013-14 and 2014-15, i.e. a total of £550k. This takes into account the number of required surveys, assessments and statutory requirements. This funding has been earmarked within the Asset Utilisation Reserve fund.

7.2 Depending upon final alternative use, disposal of land could well result in significant capital receipt return in the order of between £20m-£45m.

8. Risk and Business Continuity Management

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
Insufficient resource to complete	Appropriate skill team engaged	Green
Planning permissions refusal	Regular dialogue with planning	Green

	authority	
Low interest from developers	Robust marketing strategy	Green

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
Missed opportunity regarding land promotion, economic growth and increased employment	Red
Missed opportunity for significant capital receipt	Red

9. Appendix

Appendix A site plan

Appendix B preliminary scoping masterplan example, significant further detail required

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Background Papers:	None
Does the report propose a key decision is taken?	YES
If yes, is the decision in the Forward Plan?	YES
Will further decisions be required? If so, please outline the timetable here	YES – when detailed proposals are finalised
Is this report proposing an amendment to the budget and/or policy framework?	NO
Have the financial implications been cleared by the Strategic Finance Manager (SFM)? Have any capital spend implications been cleared by the Capital Investment Board (CIB)	YES Name of SFM: Rosemary Pallot N/A
Has the report been cleared by the relevant Corporate Director or ACE?	YES Name of Director: Tony Ciaburro & Matt Bowmer
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Andre Gonzalez de Savage
Has the relevant scrutiny committee been consulted?	N/A
Has the report been cleared by Legal Services?	YES Name of Solicitor: Laurie Gould Solicitor's comments: N/A
Have any communications issues been cleared by Communications and Marketing?	YES Name of officer: Simon Deacon
Have any property issues been cleared	YES

by POD/SAM	Name of officer: David Chard
Has an Equalities Impact Assessment been carried out in relation to this report?	Will be completed as detailed proposals are finalised
Are there any community safety implications?	This activity will enable the Council to prioritise its property investment and ensure that it is fit for purpose and accessible to all.
Are there any environmental implications:	This activity will enable the Council to prioritise its property investment and ensure that it is fit for purpose and accessible to all.
Are there any Health & Safety Implications:	Any implications arising in projects will be dealt with separately
Are there any Human Resources Implications:	This activity will enable the Council to prioritise its property investment and ensure that it is fit for purpose and accessible to all.
Are there any human rights implications:	NO
Constituency Interest:	Kettering and surrounding areas