

(Cabinet Members with Special Responsibility Councillors Hanson and Leytham)

Cabinet received a joint report from the Chief Officers (Regeneration) and (Resources) to enable consideration and agreement of an overall strategy for the development of Heysham Gateway to guide future decisions affecting council assets in the area.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

Heysham Gateway Development Principles

	Option A1: Do not agree development principles for the area and deal with enquiries on a reactive basis	Option A2: Agree principles for Heysham Gateway (as set out in section 3.6 of the report) as the main guide for future Council decisions affecting the area (planning policy, site development, marketing and funding bids etc)	Option A3: Develop an alternative set of principles for Heysham Gateway
Advantages	Provides maximum flexibility and allows for the widest possible range of potential end uses.	Provides certainty and guidance for planning, development, land disposal and infrastructure decisions. Provides opportunity to co-ordinate development with environmental improvements. Provides vehicle for bringing on board partners and stakeholders to jointly promote regeneration of Heysham Gateway.	Could widen the range of uses deemed appropriate for the site and provide more flexibility in terms of utilising assets.
Disadvantages	Does not provide guidance or certainty for potential developers and the local community. No real basis for determining development proposals / land disposals. Makes marketing the area and attracting investment and/or grant funding more difficult. Difficult to co-ordinate investment in infrastructure.	Would limit the type of uses deemed appropriate for the area and potentially miss out on investment. Restricts options for land disposals.	Would require more time and could delay planning and land decisions. Would create period of uncertainty. Difficult to market area without clear agreed principles.

Risks	Increase possibility of proposals for inappropriate uses. Would prejudice opportunity to promote a comprehensive redevelopment of the area including environmental improvements.	May not be possible to get all parties to agree principles. Decisions could be delayed and opportunities lost if this is not secured quickly. May restrict options for land disposals with associated risks in achieving best consideration.	Risks losing momentum and potentially urgent enquiries / offers. Could also restrict options for land disposals with associated risks in achieving best consideration.
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Use of Council assets at the Heysham Gateway

	Option B1: Do nothing further – continue to hold land for the time being	Option B2: Dispose of land drawing on principles at section 4.11 of the report, using the preliminary ground and ecology survey work to assess value.	Option B3: Look to develop necessary infrastructure and undertake development on a design and build basis subject to securing pre-let / sales	Option B4: Look to develop necessary infrastructure and develop units on a speculative basis
Advantages	Retains the site in Council ownership – could be some other (currently unforeseeable) use found at a later date.	Brings an underutilised asset back into use Delivers a capital receipt with knock on savings for revenue budget Regeneration and job creation / retention De-risking contributes to obtaining best consideration A long lease would retain some limited control over the site.	Aims to bring an underutilised asset back into use Should deliver capital receipt / revenue savings. Regeneration and job creation / retention. Retains a high level of control over the design of the development	Aims to bring an underutilised asset back into use Should deliver capital receipts / revenue savings. Regeneration and job creation / retention. Retains a high level of control over the design of the development
Disadvantages	Retains the ongoing management costs of this currently underutilised asset. Would miss the opportunity to deliver a timely capital receipt with knock on savings for revenue budget	Loss of full control over site.	Higher level of initial investment required – may prevent other investment priorities. Requires further appraisal and would take much longer to implement. Very uncertain financial outcome.	Much higher level of initial investment required – may prevent other investment opportunities. Requirements further appraisal and would take much longer to implement. Very uncertain financial outcome.

Risks	Could be seen a missed opportunity by not taking advantage of the publicity and increased demand created by the completion of the M6 link road.	Risk in finding the balance between the levels of up-front investment in de-risking (survey work) required to obtain best consideration for a particular plot. In the future potentially there could potentially be greater opportunity for the land – missed opportunity.	Potentially less attractive to those who would wish to develop the site themselves. Higher financial risk exposure – though potentially lost opportunity to reap greater financial benefits. Harder to deliver – skills and capacity risk.	Potentially less attractive to those who would wish to develop the site themselves Lack of demand for the units provided – with resulting in much higher financial risk exposure. Harder to deliver – skills and capacity risk.
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With regards to the development principles for Heysham Gateway the Officer preferred option is to approve Option A2 i.e. to agree development principles for Heysham Gateway as the main guide for future Council decisions affecting the area, as this presents an informed and clear way forward, drawing on the views of other key stakeholders. If approved, Cabinet is requested to authorise Officers to incorporate the agreed principles into a joint marketing prospectus for Heysham Gateway and to work with the other main stakeholders in promoting the area for high quality sustainable regeneration.

With regards to the use of council assets the Officer preferred option is to approve Option B2, i.e. to dispose of land in line with the principles at section 4.11 of the report, using the preliminary ground and ecology survey work to assess value. If approved, Cabinet is requested to recognise that land is surplus to its own operational requirements. In terms of the other options, it is considered that there is little point in simply holding on to the land (option B1). In terms of Options B3 and B4, as referred to in paragraph 4.9 of the report, these options are not considered to be worth the risk, and this has already been accepted in principle by the County Council.

Officers consider their preferred options would provide a clear guide for future strategic development of the Heysham Gateway site, achieving financial benefits from disposal through long leasehold but still retaining some limited control over its current landholdings.

Councillor Hanson proposed, seconded by Councillor Leyshon:-

“That the recommendations, as set out in the report, be approved.”

Councillors then voted:-

Resolved unanimously:

- (1) That the development principles for Heysham Gateway (in line with Option A2 and as set out in paragraph 3.6 of the report) be approved as the main guide for future Council decisions affecting the area.
- (2) That Officers be authorised to incorporate the agreed principles into a joint marketing prospectus for Heysham Gateway and to work with the other main stakeholders in promoting the area for high quality sustainable regeneration.
- (3) That approval be given to dispose of City Council land at Heysham Gateway (in line with

option B2 and the principles at section 4.11 of the report) using the preliminary ground and ecology survey work to assess value and in support of this:

- a. the City Council land shown edged in red on the plan attached to the report (Appendix A) be declared surplus to requirements;
- b. Cabinet authorises Officers to negotiate with interested parties and report back to Cabinet with the results of the negotiations on any parcel of relevant land owned by the City Council to obtain final approval for any disposal.

Officers responsible for effecting the decision:

Chief Officer (Resources)
Chief Officer (Regeneration & Planning)

Reasons for making the decision:

Sustainable Economic Growth is one of the Council's four priorities and Heysham Gateway is identified as a Regeneration Priority in the Core Strategy and emerging Local Plan. The development principles agreed will provide the basis for actions in the immediate future by the Council, its partners and other stakeholders seeking to capitalise in a sustainable way on the opportunities presented by the opening of the Bay Gateway. Beyond these and building on the effects of inward investments both on development sites, and within the Port itself, work will continue on formulating an ambitious and high profile vision for Heysham Gateway over the next decade.