

COUNCIL

Canal Quarter Progress Update 14 November 2018

Report of Portfolio Holder for Regeneration and Planning

PURPOSE OF REPORT

To update Council on progress since the last meeting in July and note various actions undertaken to enable the Canal Quarter development proposal to proceed.

This report is public.

RECOMMENDATIONS:

That Council

- (1) **Notes progress on the emerging draft Development Framework and the work undertaken to date;**

1 INTRODUCTION

- 1.1 At its meeting held on 14 July 2018, Council made several resolutions in relation to the Lancaster Canal Quarter regeneration scheme. This report updates Council on progress made since then as required under the "Future Reporting" resolution.
- 1.2 A second meeting of the Canal Quarter Cabinet Liaison Group (CQCLG) took place on 12 September (Appendix 1). Various actions were reported to this meeting. As few substantive matters had been resolved for consideration the Portfolio Holder for Regeneration and Planning cancelled the scheduled October meeting and the group will convene again in early December.

2 PROGRESS SINCE LAST MEETING

- 2.1 The following section addresses each of the resolutions approved by Council in July by providing a short progress update on each.

Development Proposals: Resolution (1) and (2)

Notes progress on the emerging draft Development Framework and the draft Consultation / Engagement Plan including the work undertaken to date by Planit;

Authorises the necessary changes to the Local Development Scheme to produce a Supplementary Planning Document (SPD) with responsibility delegated to Planning Policy Cabinet Liaison Group;

Progress

As previously noted officers have been working with consultants GVA and Planit on an embryonic Development Framework (DF) for the site. This work is still ongoing although nearing completion. CQCLG will be able to consider a completed version of this document at its next meeting in early December.

The DF work takes into account the community reaction to the nine principles approved at the April council meeting and explored via the "Principles Survey". It can be confirmed that the work to date stresses the importance of appreciating the site's many existing assets (such as the heritage and cultural offers), exploiting opportunities more fully (e.g. proximity to the Lancaster Canal and City Centre) in an engaging and legible format.

The initial ideas are being informed by detailed market analysis of the various potential uses, which utilise the existing topography to preserve and enhance existing vistas and scale. The final document will present high level options which are both consistent with the principles previously agreed and which comply with the council's stated aim of securing a viable project.

A tender brief has been issued to procure a specialist consultant team to follow on from this high-level work. The appointed consultant team will take this work further on towards creating a more detailed Strategic Master-planning Framework with the intention this is adopted as a Supplementary Planning Document (SPD) for the Canal Quarter. At the time of writing the tender process is still ongoing but the consultant team should be appointed by the time of Council's meeting on 14 November.

It has been a guiding principle that public consultation should be at the earliest possible stage of the scheme. CQCLG is due to liaise with key personnel involved with Winchester Council (noting council's wish to learn from their Silver Hill model of community consultation) at their next meeting. In addition, the consultant team appointed to work towards the Strategic Framework will be required to work to the broad requirements of an Engagement Plan (previously considered in the report to July Council and by CQCLG) which has recommended innovative, collaborative consultation engagement methods with a strong emphasis on social media throughout. A wide range of methods are to be considered including:

- Launch and feedback events
- Targeted meetings and workshops
- Drop in exhibitions
- Roadshows
- Community Planning Weekend
- Social media e.g. YouTube, Instagram
- Street surveys
- Online/paper forms

Events could include the use of video, mobile voting, walk-about, planning for real and visioning techniques, appreciative inquiry (building on 'best of'), world café and appropriate Leapfrog tools (Lancaster University) could also

be considered. The engagement will need to be accessible and inclusive and will target diverse communities and stakeholders to ensure representation.

Legal: Resolutions (3) and (4)

Notes the proposal that Cabinet agrees the creation of any legal entity as appropriate to facilitate the effective delivery of the overall project.

Notes the deed of termination of development agreement with British Land dated 19 June 2018.

Progress

Work is ongoing on exploring potential legal entities or investment vehicles as part of the wider approach and intent to better utilise council assets. No specific matters relating to the Canal Quarter have been progressed at the current time

In response to the termination and despite best efforts to come to an agreement with the council to secure the properties, British Land placed their holdings on the open market. The council registered as an interested party to purchase but, at the time of writing, it is known that British Land have accepted a third party offer for their portion of the Canal Quarter site. They have suggested that a deal will be completed in the next few weeks but have not revealed the identity of the purchaser although this may be available by the time of Full Council meeting.

As noted in previous reports there is now an increased likelihood that a third-party developer could submit a planning application that was not in alignment with council's or community's overall ambitions for the site. The need to progress supplementary planning guidance in good time is therefore critical.

Financial: Resolutions (5), (6) and (7)

Authorises the Chief Executive on behalf of the Council to conduct negotiations and further due diligence work in relation to the potential acquisition of land and buildings in the Canal Quarter area.

Authorises the Chief Executive on behalf of the Council to enter into negotiations with potential development partner(s) which may include any other property owner.

Approves the budgetary framework as set out in the exempt Appendix C of the report and authorises its use for progressing the scheme, providing for:

- *the renaming of the Canal Corridor Reserve to the Canal Quarter Reserve;*
- *a £186K transfer from the Capital Support Reserve to the Canal Quarter Reserve;*
- *an increase in the Council's underlying need to borrow (known as the Capital Financing Requirement) (as set out in the table at paragraph 1 of Appendix C);*
- *Cabinet being granted delegated authority to acquire the two landholdings identified in Appendix C of the report which are part of the Canal Quarter development, and to authorise any associated works;*
- *the Chief Executive, in consultation with the s151 and Monitoring Officers, being granted delegated authority to pursue relevant external funding bids,*

subject to any such opportunities being in line with the overall budget and development framework for the scheme; and

- *the Chief Executive being granted delegated authority for commissioning professional consultancy in support of progressing the scheme.*

Progress

The previous report to Council addressed the key financial issues that needed to be resolved and agreed to enable the project to proceed. This included the key question of what role the council might play in assembling land for development and how this will influence future master planning and project delivery. However, as the revised scheme develops the Council has begun without prejudice discussions with occupiers and operators who would be suitable - and welcome - in the regeneration of the Canal Quarter.

No external funding bids have been submitted since the last meeting.

It is not intended, at the present time, to make any amendments to the authorities granted at the last meeting.

3 CONCLUSION

- 3.1 Since Council's July meeting, work has centred around monitoring and assisting consultants with preparing the high-level strategic document and preparing for a consultant team to take on this work to the adoption of an SPD through a comprehensive consultation strategy. Having said this engagement with the wider property market has been undertaken and discussions are in place with a number of key occupiers and operators.
- 3.2 Council is now asked to note progress and the various actions to enable progress to be maintained on this key project.

RELATIONSHIP TO POLICY FRAMEWORK

The Canal Quarter Site is a long-standing allocation within the Lancaster Local Plan and is identified via Policies ER4 and ER5 of the Lancaster District Core Strategy (adopted in 2008) and the emerging Policy SG5 of the Strategic Policies & Land Allocations DPD, which is at an advanced stage and was Submitted to the Government in May 2018.

Both adopted and emerging policy for the Canal Corridor Site recognise its potential for:

- a sustainable extension to the current city centre to facilitate growth;
- accommodating a range of uses, including retail, leisure, residential, cultural and wider commercial uses;
- retaining Lancaster City Centre's role and function serving both the district and the North Lancashire / South Cumbria sub-region
- retention of historic buildings of significance, views and the creating of public open space.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability etc.)

The Council has committed to understand a wide range of stakeholder views on what the Canal Quarter scheme should include and how this might look. This will help to inform the future of the development scheme.

The Council aims to engage with a diverse range of stakeholders including councillors, community groups, voluntary organisations, businesses, land owners, public bodies and other key stakeholders. Targeted publicity will help engagement with children and young people, students, older people, LGBT, people with disabilities, from ethnic backgrounds and faith communities.

Visitors will also be included to gain insight on what attracts people to the city and how the current offer could be improved.

LEGAL AND GOVERNANCE IMPLICATIONS

There are no new legal implications arising from this report.

FINANCIAL IMPLICATIONS

There are no further budget implications arising from this report. Spending this year is within budget and future financial implications will depend on proposals and will be considered by council at future meetings.

OTHER RESOURCE IMPLICATIONS

Human Resources / Information Services / Property / Open Spaces:

Referred to in the report as appropriate.

SECTION 151 OFFICER'S COMMENTS

Section 151 Officer has been consulted and has no further comments

MONITORING OFFICER'S COMMENTS

Monitoring Officer has been consulted and has no further comments

BACKGROUND PAPERS

Previous council reports

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