

<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>27 July 2017</b>
<b>Title of report:</b>	<b>Central Hereford: One Public Estate</b>
<b>Report by:</b>	<b>Strategic property services manager</b>

## Classification

Open

## Key decision

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function to which the decision relates and because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the county.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

## Wards affected

Hereford city wards

## Purpose

To approve, in principle, the allocation of land and resources to enable the development of proposals to maximise the benefits of public sector land assets in Central Hereford.

## Recommendation(s)

THAT:

- (a) **Detailed consideration is given to the allocation of land under the One Public Estate (OPE) programme for development each of which will require business case assessments. The identified sites are as follows:**
- **Land at Merton Meadow car park (identified at A in appendix 1) for use as a joint public service hub**
  - **Land adjacent to Hereford rail station (identified at B in appendix 1) for use as a GP facility**
  - **Land adjacent to Hereford rail station (identified at C in appendix 1) for use as a transport hub**

- **Land at either Station Approach or the Bus Station (identified at D in appendix 1) for use as key worker/student accommodation or a multi storey car park**
- (b) the director economy, communities and corporate be authorised to take all operational decisions necessary, utilising the £285k One Public Estate grant funding and other approved budgets, negotiating with partners to progress option appraisal and feasibility work necessary to inform the development of detailed business cases on these sites.**

## **Alternative options**

- 1 Alternative options to the recommendations would be to:
  - a) Deal with OPE opportunities on a piecemeal basis
  - b) OPE partners release and redevelop sites on an ad hoc basis
- 2 None of these options provide a viable way forward, and would result in lost potential for the OPE programme.

## **Reasons for recommendations**

- 3 To make use of national funding via the OPE programme to improve the quality and sustainability of community infrastructure and associated service delivery, as well as release surplus assets for regeneration which will deliver economic growth and new homes by:
  - a) Maximising opportunities offered by the OPE through a planned and coordinated strategic approach; and
  - b) Taking a medium to long term view of how the OPE can be best deployed to realise the council's overarching objectives as well as those of partner organisations by incorporating them into the emerging HAP.

## **Key considerations**

- 4 One Public Estate (OPE) is a national programme run by the Cabinet Office Government Property Unit and the Local Government Association. It provides practical and technical support and funding to councils to deliver ambitious property focused programmes in collaboration with central government and other public sector partners. The programme promotes joint working across the public sector to make best use of their collective assets. It has three key objectives of creating economic growth (new homes and jobs), delivering more integrated, customer focused services and generating efficiencies through capital receipts and reduced running costs.
- 5 One Herefordshire is a group of public sector organisations comprising Herefordshire Council, Herefordshire Clinical Commissioning Group (CCG), Wye Valley Trust, West Mercia Police and Hereford and Worcester Fire and Rescue Service. The Council is the lead authority and was accepted into the OPE programme in April and awarded initial funding of £285,000 to support technical and feasibility to bring forward projects within the county. This report seeks approval to work with the other members of One Herefordshire to progress and undertake feasibility work in relation to a number of key potential developments within Hereford city.

- 6 The construction of the city link road is providing opportunities for significant regeneration and redevelopment of historically underutilised land. In this context, discussions with public sector partners have identified a number of specific opportunities which could help meet the OPE objectives to support economic growth, deliver more integrated services and generate efficiencies and capital receipts. These are highlighted in the City Plan in appendix 1. The approval of cabinet is sought to enable these opportunities to be pursued and further options to be explored with a view to maximising the benefits from public sector land holdings within the city.
- 7 The council has significant land holdings within the Edgar Street regeneration area, which are being opened up by the city link road, and these parcels of land can both support the OPE programme objectives as well as kick start the delivery of housing in the 'Urban Village'. The council will benefit from the exploratory work in respect of its own landholdings as such work would be required in respect of any future development whether through the OPE programme or otherwise.
- 8 In line with its support for the economic vision, the council's development and regeneration programme is designed to support its contribution to the OPE programme. In June 2016 cabinet decided that the council should carry out a procurement to identify a developer partner. The aim was to maximise the benefit that the council could achieve from the land that it owns with development potential. This procurement process has been successfully completed and a report recommending implementing the results of this competitive process is to be considered elsewhere on this agenda.
- 9 The appointment of the successful development partner will enable the council to take forward, through a commissioning option, the most appropriate projects brought forward as part of the OPE programme.
- 10 Policy HD2 of the Core Strategy states that updated masterplans for these regeneration areas will be developed as part of the Hereford Area Plan together with the Eign Gate regeneration area, and that this will be informed by the overarching vision previously defined in the Edgar Street Grid Design Framework (November 2007) The updated master planning/site designations will provide:
  - a growth enabling urban design framework for the city centre, which will be used to guide landowners, developers and the community on appropriate forms of development;
  - Address and supplement with additional information, the strategic policies in the Core Strategy, for example HD1, HD2, SC1 and E5;
  - Provide greater certainty on what is expected from future schemes/proposals;
  - Ensure delivery of a comprehensive, coordinated and sustainable development.
- 11 A number of potential sites have already been identified for the development of the new university. It will be important to integrate any proposals for the university with any proposals that may come forward for redevelopment within the vicinity. The following additional key development opportunities identified so far:
  - a) Joint public service hub: The integration of services on a single site in Hereford which will incorporate accommodation for council services (which is consistent with the accommodation strategy) and could include regulatory services which are closely related to emergency services. Both West Mercia Police and Hereford & Worcester Fire & Rescue Service have agreed in

principle to co-locating and council owned land has been identified at Merton Meadow car park, further to which an outline planning application has already been submitted by both parties in this respect proposal. The council is engaged in the feasibility process with both organisations and their appointed consultant. There is in principle agreement that development of the hub would in turn release both emergency services' existing properties for redevelopment.

- b) New primary care facility: A number of GP practices in the city are committed to the concept of co-location on to a single site which provides easily accessible health services to the public at a central location. The preferred location is on council owned land close to the railway station/proposed transport hub (see c) below as this provides optimum accessibility, in addition to which its proximity to the hospital is considered beneficial. This proposal aligns with the CCG's plans to establish a 'Hub and Spoke' model providing health services throughout the county. In the same context as a. above, this is engagement by the council in a partner project. By migrating to a single site the GP's existing properties would be released for redevelopment.
- c) Transport Hub including car parking: Situated close to the railway station this facility would provide a site for an interchange of public transport and forms part of the Hereford city centre transport package. An assessment of car parking demand based upon anticipated development suggests a case for a further multi storey car park in the city. Whilst further investigation is required, potential locations for the car park are in the vicinity of the proposed transport hub or on the existing bus station site.
- d) Key worker/student accommodation and car park: The provision of much needed key worker housing, primarily for health and care workers, and in addition modern student accommodation for existing colleges and the new university improving the vitality of the city centre and enhancing the night time economy. It is envisaged that both organisations will provide commitments to underwrite the occupation of the accommodation by health care workers and student. Potential sites have been identified at optimum locations in the vicinity of the proposed transport hub or the existing bus station.

## **Community impact**

- 12 The rationalisation and modernisation of community infrastructure will improve both access to and the operational effectiveness of a range of services in accordance with the aims of the council's corporate property strategy.
- 13 Where appropriate the redevelopment of the surplus sites for residential purposes would help to meet the Herefordshire's housing growth targets providing additional market and affordable housing, as well as supporting economic growth.

## **Equality duty**

- 14 The Public Sector Equality Duty (a specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying "due regard" in our decision making in the design of polices and in the delivery of services.

- 15 Enabling the delivery of co-located and better integrated community infrastructure would help overcome a number of accessibility issues that exist within the current OPE estate including disabled access.

## **Financial implications**

- 16 Funding of £285k for 2017/18 has been awarded by the Cabinet Office, and the council can draw down on that funding and other approved budgets to contribute to the cost of commissioning feasibility work to evaluate candidate OPE sites.
- 17 The detailed financial implications, including acquisitions or disposal, will be negotiated and will be subject to further decisions through the council and partners respective governance processes as appropriate before agreements are finalised/ratified.

## **Legal implications**

- 18 Local Authorities can only act where specifically permitted by legislation or to facilitate the discharge of statutory obligations (Section 111 Local Government Act 1972).
- 19 The council is empowered to acquire, hold, appropriate, and dispose of its land for its statutory purposes, by a variety of statutes. Section 120(1) Local Government Act 1972 provides the power to acquire by agreement, any land inside or outside its area for the purposes of any of its statutory functions or the benefit, improvement or development of its area. The council is empowered to dispose of its land in such manner as it wishes pursuant to the Local Government Act 1972 provided that in accordance with s123(2) it does so at the best value that can reasonably be obtained in the market, unless an undervalue is justified in accordance with General Disposal Consent (England) 2003). Section 2 of the Local Government Act 2000 significantly extended local authority powers by enabling the local authority to do anything it considered likely to achieve the promotion or improvement of economic or environmental well-being in the area. These 'well-being' powers relaxed the ultra vires doctrine (whereby actions or decisions exceeding the remit of permitted functions can be deemed void and unenforceable at law) but were ultimately replaced and significantly extended in England, by the general power of competence conferred by section 1 of the Localism Act 2011 which came into effect on 18 February 2012. This may be used amongst other things, for enhancing local service delivery, tackling poverty and deprivation, promoting sustainable economic development, equality, local cultural, heritage and financial inclusion, and improving the quality of the local environment. However the power is not completely unfettered and the Council must act commercially and reasonably, ensuring state aid restrictions are not infringed, obtaining best value and having regard to the implicit fiduciary duty owed to the local taxpayers and residents. Hence to ensure such matters are addressed and satisfied further reports will be submitted and considered in due course as the OPE programme proceeds and opportunities arise.

## **Risk management**

- 20 Acquisition or disposal of any parcels of land will be conditional on terms to be agreed between the parties, and where appropriate their delivery partners, and those terms will be clearly set out within negotiated Heads of Terms.

## **Consultees**

- 21 Initial consultations have taken place in regard to the relevant potential developments with the Police and Fire Authorities, Herefordshire Clinical Commissioning Group (CCG), Wye Valley NHS Trust, Homes and Communities Agency (HCA), Network Rail and Hereford Football Club
- 22 All relevant ward members have been consulted and the views of political groups were sought but no comments were received.

## **Appendices**

Appendix 1 – Hereford OPE early opportunity sites

## **Background papers**

- None identified