

Title of report: Withdrawal of the Bromyard Depot Site from the DRPartnership (DRP)

Decision maker: Cabinet member housing, regulatory services, and community safety

Decision date: Wednesday 7 April 2021

Report by: Head of economic development

Classification

Open

Decision type

Non-key

Wards affected

Bromyard West;

Purpose

To seek approval to withdraw the Bromyard Depot site from the Development Regeneration Partnership (DRP) as the council has not been able to secure vacant possession of the entire development site, and therefore the current scheme cannot be taken forward at this time.

Recommendation(s)

That:

- a) The Bromyard Depot site is withdrawn from the Development Regeneration Partnership as the consented housing scheme is not deliverable at this time; and**
- b) Keepmoat Housing Limited are reimbursed for the development costs incurred to date (£201,222), in accordance with the requirements of the Development Regeneration Partnership Overarching Agreement.**

Alternative options

1. Do nothing – the site could remain in the Development Regeneration Partnership (DRP), but at this time it is not possible to take forward the consented housing scheme as the

council has been unable to secure the vacant possession of the grazing land which is subject to an agricultural tenancy which forms part of the site. As such there is a risk the site remains undeveloped.

2. Reduced scheme – the housing scheme could be partially developed on the Bromyard Depot site only, excluding the land subject to the agricultural tenancy. This option is not viable, as the agricultural tenancy land is required for site access to meet the conditions of the planning approval, and to deliver a financially viable scheme.

Key considerations

3. In 2016 the council took a decision to rationalise a number of the depot sites across the county ([Issue details - PUBLIC REALM SERVICE - DEPOT RATIONALISATION - Herefordshire Council](#)), deciding to close the sites at Bromyard, Ashburton and Pontrilas with the income generated to support the investment in the remaining depot sites.
4. In 2017 the council sought a development partner to help bring forward housing and regeneration developments across the county. Through a procurement process Keepmoat Homes Limited (Keepmoat) were selected to lead on housing developments (except above policy affordable housing) and Engie Regeneration Limited the regeneration elements forming a Development Regeneration Partnership (DRP). In establishing the DRP the Bromyard Depot site was identified as having the potential to develop a housing scheme. The last Cabinet Member decision taken in February 2019 to move to stage 2 (detailed design and seeking planning permission) can be found here: <http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=5746>.
5. Following this decision planning permission was sought and granted to develop 45 new homes (including 6 affordable units) on the Bromyard Depot site including the adjoining agricultural land, where the council is the freehold owner but it is subject to an agricultural tenancy. This land forms approximately half of the proposed development site. In seeking to take forward the proposed development, the council entered into negotiations (through an agent) with the agricultural tenant to secure vacant possession. Securing this site is critical to the overall development in terms of access to the site and in being able to meet the planning conditions.
6. Unfortunately the council has been unable to reach agreement to gain vacant possession of the site, which means the consented housing development cannot be taken forward at this time.
7. Therefore, as per recommendation (a) above, it is the council's intention to withdraw the Bromyard Depot site from the DRP at this time, whilst alternative future development options are considered in delivering the priorities identified in the County Plan 2020 to 2024.
8. In accordance with the DRP Overarching Agreement, and the cabinet decision taken in February 2019, Keepmoat have led on the development of the proposed scheme to date with these costs underwritten by the council. Keepmoat have delivered the required

outcomes as specified in the previous cabinet member decision, primarily relating to the detailed design of the proposed development and in securing planning permission. The costs of this work have been verified. As the scheme can no longer be taken forward, as per recommendation (b) above, Keepmoat will now be reimbursed for these costs totalling £201,222.

Community Impact

9. The consented housing scheme on the Bromyard Depot and adjoining land is not currently deliverable without vacant possession of all of the required development area. Removing the Bromyard Depot site from the DRP will enable the council to consider alternative uses for this site in meeting the priorities set out in the County Plan 2020 to 2024 through engagement with and in consultation with local stakeholders. The County Plan states *'Our ambition is for Herefordshire to be an exemplar of 21st century rural living where market towns and rural communities are properly valued and recognised for the contributions they make to the success of the county'*.
10. Should the site remain in the DRP, it is likely that it will remain undeveloped for the foreseeable future which would be of no benefit to the local community.

Environmental Impact

11. In considering the future alternative uses of the Bromyard Depot site, the council will fully consider the environmental impact of any development. The currently proposed and undeliverable housing scheme has limited environmental considerations.

Equality duty

12. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
13. In withdrawing the Bromyard Depot site from the DRP and in reviewing future alternative uses, the council will fully consider our responsibilities and opportunities in accordance with the Equality Act 2010.

Resource implications

14. As per the terms of the DRP overarching agreement, the council are required to pay Keepmoat £201,222 of the development costs incurred to date.

15. The cabinet member decision taken in February 2019 states '*If the project does not ultimately proceed through the DRP any feasibility costs and underwritten fees noted above, will be funded from revenue reserves, as long as those costs were properly incurred and met the assessment criteria*'.
16. Keepmoat have met the council's criteria as identified in the cabinet member decision taken in February 2019 and their costs have been verified.
17. Therefore, as the project is not proceeding, the £201,222 will be paid to Keepmoat to be funded from Economy and Place Directorate earmarked reserves.

Revenue or Capital cost of project (indicate R or C)	2020/21	2021/22	Future Years	Total
<i>Keepmoat Housing Limited (R)</i>	£201,222			£201,222
TOTAL	£201,222			£201,222

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2020/21	2021/22	Future Years	Total
Economy and Place Earmarked Reserves	£201,222	£000	£000	£201,222
TOTAL	£201,222			£201,222

Revenue budget implications	2020/21	2021/22	Future Years	Total
As scheme not progressing, revenue cost of development works undertaken to date.	£201,222	£000	£000	£201,222
TOTAL	£201,222			£201,222

Legal implications

18. The council procured Keepmoat Homes Limited (Keepmoat) to be part of the Development and Regeneration Partnership through a Public Contract Regulations 2015 compliant procurement process which concluded with Keepmoat entering into the Overarching Agreement with the council in 2018.
19. Under the terms of the Overarching Agreement the council is contractually required to reimburse Keepmoat for their costs in the event that the site is withdrawn from the DRP or if a project has not progressed within 18 months of a Stage 2 decision being taken. Therefore, the council is now obliged to reimburse Keepmoat their incurred development costs in relation to the Bromyard Depot site.

Risk management

Risk / opportunity	Mitigation
Following removal of the Bromyard Depot site from the DRP it remains undeveloped and values not realised	The council is already working with local stakeholders in delivering the County Plan 2020 to 2024 such as the development of a Bromyard Economic Development Investment Plan.
Housing needs in Bromyard will no longer be met.	A Housing Market Area Needs Assessment is currently being finalised for the county as a whole, including Bromyard. The study will inform the future development of housing across Herefordshire in terms of the Local Plan review and the location of any council led housing provision.
In deciding to not take the current scheme forward the council will not realise an income from the proposed development as envisaged in the decision taken in 2016 from rationalising the Depot sites (para 3 above).	To date the council has successfully disposed of the sites at Ashburton and Pontrilas generating an income of £484K against the investment of £725K taken as a result of the decision taken in 2016. Although the Bromyard Depot site will no longer be taken forward through the DRP it remains a council asset and the value of the land will still be realised in the future which it is anticipated should meet the value difference against the original decision.

Consultees

20. The political groups have been consulted – no comments received
21. A comment was received from the neighbouring ward member for Bringsty and Bromyard expressing disappointment with the proposed decision to not progress the housing scheme on the Bromyard Depot site after the council had been seeking possession of the agricultural site for a number years, despite assurances given previously by council officers. They felt that the current restrictions on planning approvals on parts of the county due to phosphate levels in the river Lugg may mean it would not be possible to bring forward an alternative development on the site in the near future.

Appendices

None

Background papers

None

[Note: Please remember to overtype or delete the guidance highlighted in grey]

Please include a glossary of terms, abbreviations and acronyms used in this report.