

STOCKPORT COUNCIL
REPORT TO EXECUTIVE MEETING – SUMMARY SHEET

Subject: Dialstone Centre and Blackstone Fields Redevelopment

Report to Executive Meeting

Date: 7 November 2011

Report of: (a) Corporate Director of Place and Corporate Director for Corporate and Support Services

Key Decision: (b) **NO / YES**

Forward Plan General Exception Special Urgency (Tick box)

Summary:

This report sets out progress to date on this important regeneration projects and seeks permission to vary the terms of the original Development Agreement to bring them in line with accurate timescales and revised budgets, the latter clearly contained with the overall project budget.

Comments/Views of the Executive Councillor for Regeneration: This report updates the Council on progress on the scheme and I support the recommendations as set out as they simply reflect the most up to date programme to deliver the project.

Comments/Views of the Executive Councillor for Finance: The report sets out the most recent financial information and continues to protect the Council's position.

The proposal to re-open the site of the Offerton Social Club for the community will be welcomed in the locality

Recommendation(s) of Executive Councillors: The Executive is recommended to note the progress on the scheme and to approve the delegation to the Corporate Director of Place and Corporate Director for Corporate and Support Services in consultation with the relevant Executive Councillors to:

- i. Progress the re-opening of Offerton Social Club as a community facility as identified in the report.
 - ii. Allow the extension of the longstop date as identified in the report.
 - iii. To incur expenditure to progress the scheme subject to ensuring that all costs are within the envelope of affordability from any future estimated capital receipt
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Relevant Scrutiny Committee (if decision called in):
Corporate Resource Management and Governance

Background Papers (if report for publication):

Previous reports to Executive dated 18 May 2011 and 6 December 2010

Contact person for accessing
background papers and discussing the report

Officer: Paul Lawrence/Barry Khan
Tel: 0161 474 3202

'Urgent Business': (g) **NO**

Certification (if applicable)

This report should be considered as 'urgent business' and the decision exempted from 'call-in' for the following reason(s):

The written consent of Councillor _____ and the Chief Executive/Monitoring Officer/Corporate Director for Corporate and Support Services for the decision to be treated as 'urgent business' was obtained on _____/will be obtained before the decision is implemented.

DIALSTONE CENTRE AND BLACKSTONE FIELDS REDEVELOPMENT**Report of the Corporate Director of Place and
Corporate Director for Corporate and Support Services****1. Purpose of the report.**

- 1.1 The purpose of this report is to update the Executive on the progress made with regard to the regeneration proposals for the Dialstone Centre site and Blackstone Fields.

2. Background and Progress to date

- 2.1 As stated in earlier reports to the Executive, the Council is committed to the regeneration of the Offerton area through the replacement of the Dialstone Centre with brand new purpose built community facilities and new housing development. Throughout the process of seeking a development partner, the Council has aimed to achieve a comprehensive approach to regeneration, bringing forward much needed family homes and associated facilities.
- 2.2 On the 18th May 2011 the Executive considered a report to agree the Development Agreement with THI Riverside Limited for the comprehensive redevelopment of the site. The Executive resolved to agree:
- i. the terms of the Development Agreement as set out in this report, and to delegate to the Corporate Directors for Business Services and Communities, Regeneration and Environment the final approval of the Agreement, in consultation with the relevant Executive Councillors;*
 - ii. the expenditure and financing of the new facilities and associated costs as detailed in the report; and*
 - iii. that the Executive Councillor (Finance) and the Executive Councillor (Regeneration) agree in principle, to the appropriation of the Council owned land needed for development from community use and highway use to planning purposes pursuant to S.122(2A) of the Local Government Act 1972*
- 2.3 The matter was subject to call in and was considered by the Corporate Resource Management Governance Committee on 7th June 2011 who resolved that no further action be taken and the Executive Decision was then implemented.
- 2.4 After full discussion and negotiation, the Development Agreement has been completed with THI Riverside on 14th July 2011 with GB Buildings acting as the Guarantor for the obligations under the Agreement. In addition, since the matter was last considered by the Executive a considerable amount of work has been undertaken by the parties. An information leaflet about the Developer's Proposals and questionnaire were hand delivered to the properties in the Offerton Area. From the 144 responses received, 79.3% stated that overall they were in favour of the proposals. The conclusions from the survey showed a demonstrable level of public support for the proposals and the perceived benefits that it would have in

the Offerton Community. There was a strong level of support for the community hub with the library and the leisure facilities.

- 2.5 The Executive are also asked to note the progress to date on the scheme.

PROGRESS ON THE DIALSTONE CENTRE SITE

- 2.6 The Developer has concluded its negotiations with the housebuilder to deliver the redevelopment of the Dialstone site. The housebuilder is Bellway Homes. Bellway is one of the biggest national house builders with 13 regions nationally. Bellway's four northern divisions completed the sale of 2,345 homes in the year to July 31, an increase of 18% on the previous year. Bellway has expended considerable commitment to the Offerton site. They are actively seeking other development sites in the area. Planning permission has now been sought for 94 dwellings of which 35% will be "affordable" in nature, along with two play areas and associated green space. This represents substantial private sector investment in one of our Priority Areas and will create much needed high quality new homes to an environmental standard in line with our Core Strategy policies.

PROGRESS ON THE BLACKSTONE FIELDS SITE

- 2.7 The THI planning application is for a mixed used regeneration scheme on the Blackstone Fields site. The planning application shows a new community building (including a new library, community rooms, a multi use sports hall, gym, changing rooms and a floodlit 5-a-side football pitch) a care home, an extra care residential facility and a health centre with limited retail development and associated car parking.
- 2.8 The Development Agreement provides that the Developer must secure two other end users for the site to go alongside the Council's Community Building and sports facility.
- 2.9 Intensive work by THI has been taking place to secure end users. It should be noted that the original timetable in the Development Agreement provides that the longstop date for delivering these end-users is 14 February 2012. This was based on the planning application being submitted in July 2011, followed by a 13 week determination period and appropriate period for any potential Judicial Review challenge. However given the complexity and ambition of the scheme for the area, the negotiations have been extended to ensure that the best solution is achieved. This has resulted in the planning application being submitted in October 2011, rather than July. The Developer has therefore requested that the longstop date for delivering the two additional tenants should be extended to the end of May 2012 to enable the Developer to attract the most appropriate end users for the site. THI have stated that they are committed to delivering a successful flagship development at Blackstone Fields and have expended considerable resources in this process. The extension of time would be to bring the revised timetable in line with the original process from the date that the planning application has been submitted as set out in the Development Agreement.
- 2.10 If the agreed number of end users are not delivered, the Council's position is protected in that the Development Agreement provides that the Council does not have to transfer the land to THI, nor to Bellway Homes. Therefore the granting of

a 3 month extension to the Developer to secure the 2 further end users does not adversely affect the Council's position.

- 2.11 In addition Members will recall that the Development Agreement regulates the Development from the point when the Agreement is exchanged, through the satisfaction of the pre-conditions set out in that Agreement and up to the point when the Development is completed. The Development Agreement is the mechanism that provides, subject to certain pre-conditions being satisfied or waived within an agreed timescale, how and when the development will take place.
- 2.12 The Development Agreement provides that if the cost of remediation for the Blackstone site is greater than £0.6m, with the Council and the Developer paying 50% of its contribution either party can terminate the agreement. Under the Development Agreement, this is known as the Site Suitability Condition.
- 2.13 THI have stated that the costs of remediation **and** the additional costs of associated construction, such as piling could be around £0.9m. However there is a risk that the costs of this work is greater than that estimated. To mitigate this risk it has been agreed that the Council will fund its share of the original estimate of the remediation costs and also contribute another £0.15m towards the associated constructions costs on a shared basis. These costs are to be met from the original estimate of the construction costs of the replacement facilities which allowed for additional construction costs for building on this site. In return THI have agreed to waive the Site Suitability Condition which means that they will be fully responsible for any remediation costs above £0.9m.

PLANS FOR THE DIAL PARK SITE

- 2.14 It is proposed that the residual structures on this site are removed, that improvements are made to the site to provide local open space and to provide a grassed football pitch.

TEMPORARY REPLACEMENT FACILITIES

- 2.15 Clearly the proposed development will mean that the existing Dialstone Centre site is cleared and therefore the temporary arrangements for securing continuity of community services during redevelopment have been progressed.
- 2.16 A planning application has been submitted to relocate the Gym facilities at Offerton School to the rear of the Curzon Building. This provides a replacement Sports hall which will be operated by Stockport Sports Trust. This replacement facility will link with the existing school gym and changing rooms. The replacement facility will provide the public access to badminton courts, a sports hall, gymnasium and car parking.
- 2.17 It was originally envisaged to keep the library in its current location until the replacement facilities were built. This would mean that the library would continue to operate from its current location whilst construction of the proposed housing development was underway. However, completely separate from this project, the Offerton Social Club was returned back to the Council's possession on the 8th July 2011 after extensive work by the community, the Police and the Council.

2.18 Subsequently a community consultation event was carried out with regard to ascertaining the wishes of the community for the future use of the previous Offerton Social Club site. The results of these consultations have shown that there is a strong desire within the community for these facilities to be reutilized for community use. This has presented an opportunity of utilising this site for community use, including using part of the building for the temporary re-location of the library service until the new facility is built. The costs of relocating the library service can be funded from the existing relocation budget for the scheme from the proposed capital receipt. A planning application would be needed for the site and therefore the Executive is asked to give approval to progress the temporary relocation of the library to the former Social Club site to ensure continuity of service provision for the local community. In addition the site will be re-opened for the benefit of the community as a new community facility in the area. This will provide the added benefit of providing Bellway Homes with a cleared site ahead of the previously agreed timescales.

3 RECOMMENDATIONS

3.1 The Executive is asked to note the progress on the scheme and is recommended to approve the delegation to the Corporate Director of Place and Corporate Director for Corporate and Support Services in consultation with the relevant Executive Councillors to:

- (i) Progress the re-opening of Offerton Social Club as a community facility as identified in the report.
- (ii) Allow the extension of the longstop date as identified in the report.
- (iii) To incur expenditure to progress the scheme subject to ensuring that all costs are within the envelope of affordability from any future estimated capital receipt.

Background Papers

Executive Report dated 18 May 2011
Executive Report dated 6 December 2010

Contact person for accessing background papers and discussing the report:
Paul Lawrence or Barry Khan on 0161 474 3202