

Agenda Item No: 9
Report To: Cabinet
Date of Meeting: 11th July 2019
Report Title: Conningbrook Housing Phase 2 and Country Pub/Hotel
Report Author & Job Title: Paul Mckenner – Head of Corporate Property and Projects
Portfolio Holder Cllr. Clokie
Portfolio Holder for: Regeneration and Corporate Property



Summary: This report provides an update on the progress of the residential development at Conningbrook H1 and seeks approval for the entering into the agreement to progress the next phase of residential development at the site (H2). In addition, it provides an update on the negotiations with the freeholder of the country park and the proposed operator of the pub/hotel. The report seeks authority from Cabinet to proceed with both proposals.

Key Decision: YES

Significantly Affected Wards: Kennington

Recommendations: **The Cabinet is recommended to:**

- I. Note the progress made on the delivery of the residential development at H1;
- II. Approve the principles of an agreement with Brett Aggregates Ltd in respect of phase 2 of the development at Conningbrook on the terms set out in the report and Exempt Appendix 1, including the disposal of the land shown coloured green on the attached plan;
- III. Authorise the Head of Corporate Property and Projects in consultation with the Portfolio Holder for Regeneration and Corporate Property and the Director for Finance and Economy to finalise negotiations as to the terms of that agreement including the disposal of the Council's land forming part of Phase 2, and to enter into that agreement;
- IV. Authorise the Head of Corporate Property and Projects in consultation with the Portfolio Holder for Regeneration and Corporate Property and the

Director for Finance and Economy to finalise negotiations as to the terms of the lease to be granted to the operator of the pub/hotel and to grant a lease of the land shown edged red on the attached plan on such terms as shall be agreed;

- V. Authorise the Head of Corporate Property and Projects in consultation with the Portfolio Holder for Regeneration and Corporate Property and the Director for Finance and Economy to finalise negotiations as to the terms of the Licence to Assign to be entered into with the freeholder of the country park and to enter into the same;
- VI. Authorise the Head of Corporate Property and Projects in consultation with the Portfolio Holder for Regeneration and Corporate Property and the Director for Finance and Economy to apply for and negotiate the necessary amendments to the section 106 agreement entered into as part of the original planning consent for the Country park to allow for the relocation of the site of the proposed pub/hotel;
- VII. To delegate authority to the Head of Legal & Democracy in consultation with the Head of Corporate Property and Projects to agree, execute and complete all necessary documents required to give effect to the above recommendations;
- VIII. Authorise the Head of Corporate Property and Projects and the Director for Finance and Economy to act as the Council's representatives on the proposed "Design and Contract Forum" under the proposed terms of the agreement.

Policy Overview: Policy CS18a of the adopted LDF Core Strategy provides for the provision of a strategic park at Conningbrook.

Financial Implications: The proposed agreement will involve the disposal of the Council's land for the Phase 2 development. Section 123 Local Government Act 1972 requires that the consideration obtained may not be less than the best that can reasonably be obtained.

There will be a land sale receipt following the sale of H2 under the agreement as well as a land sale receipt following the sale of the pub/hotel site to the operator (as set out in Exempt Appendix 2 to this report).

The disposals proposed under this report will need to be for the best consideration that can reasonably be obtained in accordance with the provisions of section 123 of the Local Government Act 1972. Before completion of either of the

disposals referred to in this report, officers will obtain appropriate professional valuation advice on the financial implications of the terms of the actual disposal of the land and the grant of the lease in relation to these statutory obligations. A confidential summary of that advice will be provided to Members prior to the completion of the disposal and the grant of the lease.

There will be costs involved in the provision of services to the pub/hotel site which are detailed in the report below and are to be shared 50/50 with the freeholder.

Legal Implications The agreements to be entered into will be binding on the Council and will ensure that the Council has an involvement in the delivery of H2 and that the Council will be the direct landlord of the pub/hotel operator.

Equalities Impact Assessment Not Required because it has no EI implications

Other Material Implications: Please see report.

Exempt from Publication: **YES – in relation to the Appendices**

The Exempt Appendices to this report are not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Contact: Paul.mckenner@ashford.gov.uk – Tel: (01233) 330419

Report Title: Conningbrook Housing Phase 2 and Country Pub/Hotel

Introduction and Background

1. The original Cabinet decision to progress the Council's business plan for the Conningbrook Strategic Park was made in June 2011 and reaffirmed in July 2012. The recommendations from those decisions involved progressing discussions with Brett Aggregates Ltd ("Bretts") (owners of the majority of the land) to allow for the creation of a Country park funded by enabling residential development on neighbouring land. The process envisaged two phases of residential development (H1 and H2) as well as the provision of a pub/hotel.
2. To facilitate the development of the second phase of housing it is necessary for the Council to enter into a further agreement with Bretts. The proposed principals of this agreement are set out in this report.
3. The pub/hotel was originally intended to be located in Conningbrook Manor and Conningbrook Barn, as these were considered suitable buildings for conversion, and planning permission was granted accordingly. Subsequent discussions with the proposed operator of the pub/hotel have now resulted in a requirement to change the location of this facility to adjoining land currently forming part of the country park.
4. In order to facilitate the development of the pub/hotel, it is necessary for the Council to grant an underlease to the proposed operator. In order to do this, the Council must obtain the consent of Bretts as the freeholder of the country park. The proposed terms of this consent are set out in this report.
5. In addition, it will be necessary to make an application to vary the section 106 agreement in respect of the country park in order to alter the area that the pub/hotel will occupy and to remove it from the provisions of the original section 106. Of course, planning permission will be required for the construction of the pub/hotel and the appropriate conditions and any further section 106 agreement will be part of the considerations for the planning authority.
6. The master planning of the Conningbrook Park - see elsewhere on the agenda - will complement the proposals envisaged and there will be synergies between the various works stream and such there will be close working interrelationships between the two.

Proposal/Current Position

7. The first phase of residential development (H1) is now well underway and early completion units are now sold and occupied. All monies due to the Council under the Commercial Agreement for H1 have been received.

Housing Phase 2

8. The land that makes up Phase 2 is shown approximately on the plan attached at the end of this report edged blue, the part of this land owned by the Council is shown coloured green.
9. The proposed agreement for H2 is on similar terms to the one that the Council entered into for H1. It will provide for Bretts to submit an application for outline planning permission for H2, at their own costs and risk. Once the planning permission has been granted, the site will be sold in the open market with the benefit of that planning permission.
10. The proceeds of the sale, after the deduction of the costs relating to the planning application and the obtaining of planning permission (including any section 106 costs), will be divided between Bretts and the Council as detailed in Exempt Appendix 1.
11. As with the agreement for H1, in order to exercise some control over the residential development that is enabled by the sale of the Council's land for H2, a "Design and Contract Forum" (DCF) will be set up. The purpose of this is to maximise the return from the housing development land, commensurate with achieving a high quality of development appropriate to this prestigious location in Ashford and complementing the Country park environment and the housing in H1. The DCF will be responsible for making decisions about the marketing strategy and appointing the residential developer to take the development forward. It is proposed that two senior representatives from the Council should sit on the DCF alongside representatives of Brett, and that these be the Head of Corporate Property and Projects and the Director of Finance and Economy.

Pub/Hotel

12. Negotiations have been ongoing with the proposed pub/hotel operator for a number of years. In order to finalise these negotiations and to enable the operator to proceed with a planning application, approval of the proposed terms of the lease of the pub and the consent from the freeholder, is required.
13. The heads of terms for the grant of the lease and the licence to assign granting the consent are set out in Exempt Appendix 2.
14. Following a change of location of the proposed pub/hotel area to that originally set out in the original section 106 agreement (at the request of the proposed operator) it is going to be necessary for the Council to apply to amend the original section 106 agreement.
15. The land to be leased to the operator of the pub/hotel is shown approximately edged red on the plan attached to this report.
16. This application to amend the section 106 agreement will be submitted at the same time as the application from the proposed operator of the pub/hotel for the construction of the pub/hotel so that the planning authority can consider the applications concurrently.

17. The Council is being asked to provide a fully serviced site to the pub/hotel operator and it has been agreed that the costs of providing these services will be shared equally between the Council and Bretts.

Implications and Risk Assessment

Planning risks

18. The planning application for residential development at H2 carries a risk of failure although the risk is considered low as the future development of H2 was provided for in the original planning consent and an allocation within the Local Plan for 170 units at the site has been provided for. In additional mitigation the provisions of the agreement with Bretts will ensure that the application will be prepared in order to give the best prospect of success.
19. The planning application for the pub/hotel also carries planning risks in particular the loss of the current area of country park. It is possible that there will be a requirement for a like for like provision of a replacement area and officers are working to identify possible areas. Early dialogue with the planning department to establish likely requirements will be carried out following which, if necessary, discussions can be progressed with third parties.

Reputational risks

20. The dual roles of the Council as landowner and planning authority need to continue to be kept clearly separated to avoid reputational damage.
21. The poor quality development of either the pub/hotel or the housing on H2 would be detrimental to the Council's reputation. The Council's representation on the DCF will ensure that this does not happen.

Financial risks

22. As indicated there is a requirement for the Council to share in the costs of providing a fully serviced site for the pub/hotel. In the event that the pub/hotel does not progress (either by virtue of failure of planning or commercial agreement) then these costs may not be recovered by a subsequent land sale receipt. This risk is deemed to be quite low as the work to install the services will not be carried out until planning permission has been granted and negotiations with the proposed operator are already well advanced.

Equalities Impact Assessment

23. None required.

Consultation Planned or Undertaken

24. The planning process will involve the usual and full consultations.

Other Options Considered

25. To not proceed with either H2 or the pub/hotel. If this option was taken, the leisure offer available to the public at the country park would not be enhanced by the inclusion of a pub/hotel. If we were not to proceed with H2, then H2 would not progress and the site would remain as it is currently.

26. To sell the Council's interest in the H2 land to Brett. It is considered unlikely that this would maximise the Council's receipt for the land, and would remove any control the Council had as land owner over the future development.

Reasons for Supporting Option Recommended

27. The proposals put forward continue the joint working approach with Bretts that has worked well on H1.
28. The proposals will result in a capital receipt for the Council both from H2 and the pub/hotel site.

Next Steps in Process

29. The next stage of the process is to finalise the legal documents with Bretts and the operator of the pub/hotel.
30. Further consideration of the costs and values of the relevant works and receipts is required (in particular the value of the H2 land) and this advice will be provided to the Portfolio Holder for Regeneration and Corporate Property and the Director of Finance and Economy in due course.

Conclusion

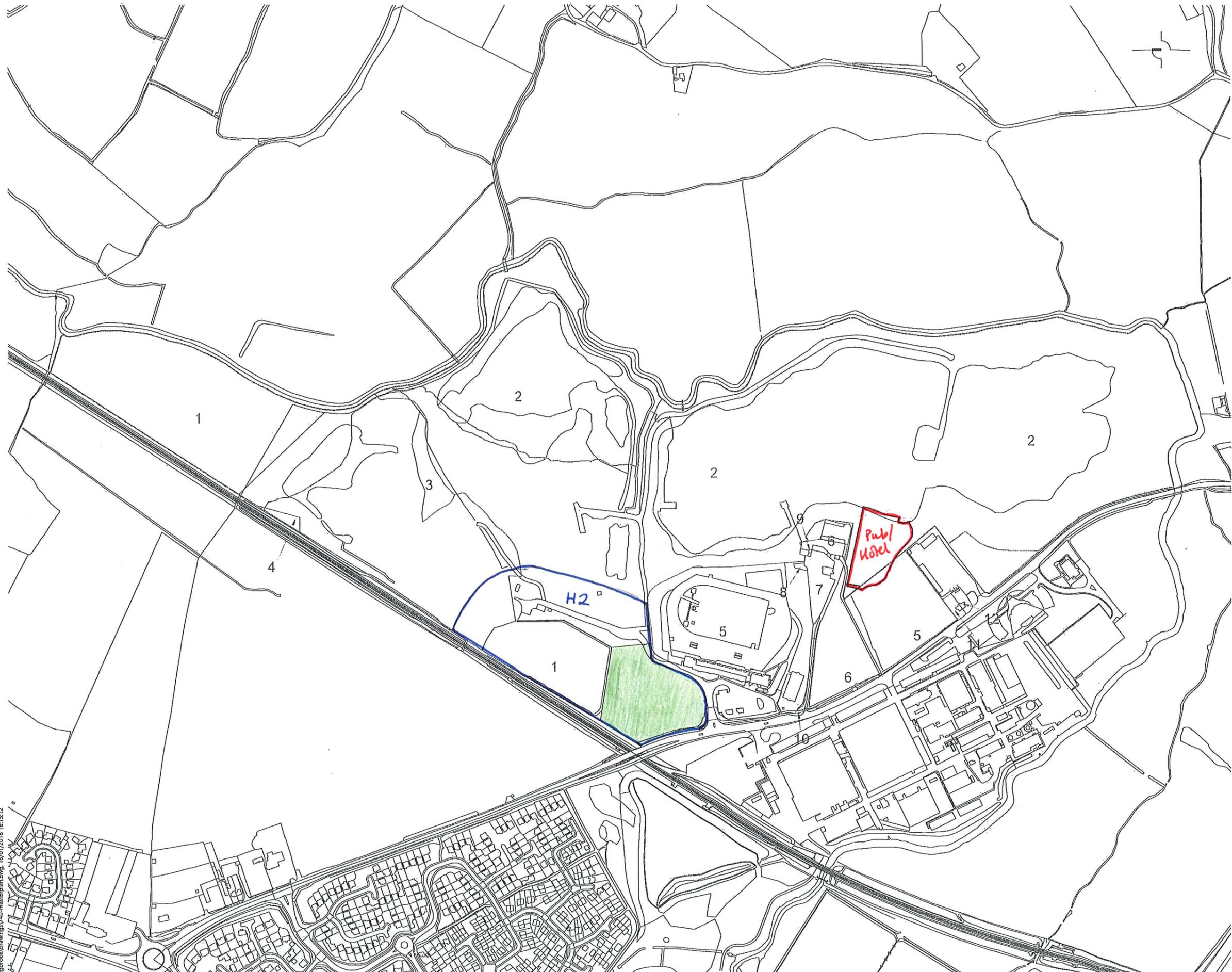
31. Members are asked to approve the recommendations as doing so will enable the next phases of the development at Conningbrook to come forward. The creation of a pub/hotel at the site will improve the offer available for visitors to the country park and will hopefully lead to an increase in visitors to the country park.

Portfolio Holder's Views

32. This report carries forward the development of the Conningbrook lakes and the cooperation between Bretts ABC and Shepard Neame, and will I am sure produce a thriving community within the overall scheme. Therefore I am content with the legal arrangements as detailed in the report.

Contact and Email

33. Paul Mckenner – paul.mckenner@ashford.gov.uk



Notes: This Drawing is produced from an enlarged OS extract.
 Please report all discrepancies, errors and omissions.
 Verify all dimensions on site before commencing any work on site or preparing shop drawings.
 All materials, components and workmanship are to comply with the relevant British Standards, Codes of Practice, and appropriate manufacturers' recommendations that from time to time shall apply.
 For all specialist work, see relevant drawings.
 This drawing and design are copyright of BDB Design.
 When this document is provided in electronic file format it is intended as a guide only and the recipient is to verify all dimensions and details with the Architects. If this is not acceptable, the files must be returned unused together with a written communication declining acceptance of this condition.

Revisions:

rev	date	revision

Land Ownership

1.	Brett Aggregate Ltd	K447985
2.	Brett Aggregate Ltd	K437772
3.	Brett Aggregate Ltd	K180376
4.	Brett Aggregate Ltd	K284514
5.	Ashford Borough Council	K858497
6.	Ashford Borough Council	K119852
7.	Ashford Borough Council	K119851
8.	Ashford Borough Council	K814044
9.	Ashford Borough Council	K814289
10.	Ashford Borough Council	K841586
11.	DR Duggan	K599518
12.	S & M Kent	K603955
13.	Unregistered Land (KCC)	

- Red Line - Pub / Hotel Land
- Brett Land Transferred to ABC
- Country Park Land
- Title Boundaries

design bdb
 Church Barn, Milton Manor Farm, Ashford Road, Canterbury, Kent, CT4 7PP.
 T: 01227 458899 www.bdb-design.co.uk

PROJ019
BRETT GROUP
 Proposed Redevelopment of
 Conningbrook Lakes
 Willesborough Road, Ashford, Kent.
 PUB / HOTEL : Site Location Plan
 SCALE 1:2500 @ A1
 DATE January 2018
 SHEET 740-001

P:\Conningbrook\Drawings\740-masterplan.dwg, 16/01/2018 16:15:12