



REPORT TO EXECUTIVE

PORTFOLIO AREA: ECONOMY/FINANCE

Date of Meeting: **2nd October 2009**

Public/Private* **Public**

Key Decision: **Yes**

Recorded in Forward Plan:

Yes

Inside Policy Framework

Title: **LAND AT MORTON**

Report of: **Joint Acting Director of Development Services & Head of
Economy, Property & Tourism**

Report reference: **DS.80/09**

Summary:

This report seeks authority and funding to prepare and submit an outline planning application for the development of a district retail centre on land in the ownership of the City Council at Morton.

Recommendations:

1. That the City Council submits an outline application for the development of a district retail centre on land in its ownership at Morton.
2. That the Executive requests Council to release a net budget of £160,000 to fund the preparation and submission of the planning application.
3. That the Executive authorises the use of Council Procedure Rule 4 (2) (b) to permit the seeking and award of a tender from a single supplier in respect of the proposed planning application.

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

1. BACKGROUND INFORMATION AND OPTIONS

1.1 Reasons for the submission of an outline planning application at Morton by the Council

- i. The Morton District Centre is the only Local Plan allocation that will provide for a major foodstore in Carlisle. The Council therefore controls a very valuable piece of land where there are commercial reasons to ensure that this value is protected and maximised.
- ii. The capacity for convenience spend in Carlisle is limited and it is important that the Council secures an outline planning approval that clearly establishes the scale and composition of any retail district centre before any decisions are made on the future development of the site.
- iii. Although the cost of securing a planning approval is considerable, the advice received from the Council's property advisors suggests that planning certainty is essential if the optimum value of the site is to be secured. The investment in planning is necessary now to achieve that position. The value of the site will be substantially less based solely on the current local plan allocation.
- iv. The impact on value, either negatively from failure to achieve a consent, or positively by value increase from achieving a consent, is significantly greater than the actual costs of the application. Further, the cost of the process is likely to be, in part, recovered from holding a stronger negotiation position with any future developer of the site. This course of action is one that the Council needs to pursue if it is to secure best value from its land asset at Morton.
- v. The Council is also working with the Church Commissioners to progress the separate application for housing development at Morton. It is felt that progress on a high quality district centre, including a foodstore, will benefit this development by way of values and speed of achieving disposals of the residential land. This process will support the overall implementation of the Morton Masterplan
- vi. The Council's outline planning application would comprise a foodstore, mixed commercial use, reservation of land for a 'park and ride' facility and associated infrastructure – all on land in the ownership of the City Council.

1.2 The limitations of the Council securing planning consent

- a. Owing to the application and effect of the Town and Country Planning General Regulations 1992 (SI 1992/1492) (“the 1992 Regulations”) any grant of planning permission pursuant to an application made by an ‘interested planning authority’ (which the Council would be) in respect of land owned by that interested planning authority will be personal to it.
- b. Consequently, a planning permission obtained by the Council in respect of its own land at Morton, would not run with the land in the normal way and could only be implemented by the Council. Further, any such consented development could only be used or operated by the Council rather than a third party foodstore operator.
- c. This means that any foodstore operator or developer would have to seek a separate planning approval for any development it sought to implement on the site. A planning permission secured by the Council will serve to establish the retail capacity permitted at Morton and therefore the value of the site. It would also clarify the type of development the Council as landowner would wish to see on the site to secure its optimum development potential.

1.3 Managing and preparing the planning submission

- a. The Council does not have the capacity or specialist knowledge to prepare a planning application of this kind. It is recommended that Montagu Evans is retained to manage the process and prepare the submission as an extension of the current asset management work already being undertaken for the Council.
- b. To this end it is recommended that the Executive authorises the use of Council Procedure Rule 4 (2) (b) to permit the seeking and award of a tender from a single supplier in respect of the proposed planning application.

1.4 Budget implications

- a. The cost of the planning application is budgeted at £260,000, broken down into the following areas of work:

Project Management

Planning Specialists including public consultation

Commercial input on uses and components

Architects

Transportation and Environmental evaluations

Legal

Statutory Fees [£30,000]

- b. £70,000 can be found from existing budgets leaving a net balance of £160,000 to find, excluding the statutory fees of £30,000 payable to the planning authority.
- c. The Executive is recommended to seek the release of this budget from Council in order to expedite the process.

2. CONSULTATION

- 2.1 Consultation to Date. Internal including Carlisle Renaissance
- 2.2 Consultation proposed. Pre application public consultation - timetable to be agreed

3. RECOMMENDATIONS

- 3.1 That the City Council submits an outline application for the development of a district retail centre on land in its ownership at Morton.
- 3.2 That the Executive requests Council to release a net budget of £160,000 to fund the preparation and submission of the planning application.
- 3.3 That the Executive authorises the use of Council Procedure Rule 4 (2) (b) to permit the seeking and award of a tender from a single supplier in respect of the proposed planning application.

4. REASONS FOR RECOMMENDATIONS

- 4.1 To ensure that the value of the Council's land asset is protected and maximised and also to support the Council's aspirations for the implementation of the Morton Masterplan.

5. IMPLICATIONS

1. Staffing/Resources – None

2. Financial –

- a. This report seeks to approve a supplementary estimate of £190,000 in order to progress planning options for the Council's land at Morton. The overall spend is likely to be £260,000. £70,000 has already been released by the Executive on 27 July to progress asset management issues. The Council will receive approximately £30,000 in statutory planning fees from any application submitted, so the overall net effect on the Council will be £160,000.
- b. Upon reviewing technical guidance it is felt unlikely that this expenditure can be classified as capital expenditure, therefore this additional budget will be required from revenue resources, this will either be from the Projects Reserve, or from other sources, such as virement from identified under spends in the 2009/10 budget monitoring.
- c. It is likely that this planning application will result in any capital receipt receivable upon disposal of this land being significantly higher than without the planning approval. Any receipt would be classed as capital and would only be able to be used for any future capital schemes. It would not be able to be used to 'repay' the cost of the application.

3. Legal

- (a) The Council has power to make a planning application in respect of its own land. The relevant powers would be section 120 of the Local Government Act 1972, which gives the Council power to acquire land or section 2 of the Local Authorities (Land) Act 1963, which gives the Council power to develop land, combined with section 111 of the Local Government Act 1972, which gives the Council power to do anything which is calculated to facilitate or is conducive or incidental to the discharge of any of its functions.

The Executive is being asked to agree to pursue an outline planning application in the capacity of the Council as landowner, which is expected to increase the value of its land. The costs are estimated to be in the region of £260,000 and if all goes to plan the result is expected to be a higher land value which would be worth much more than the costs involved. However, there are inherent risks, for example if the expected deal to develop the site falls through and no one else wants to develop the site. The Executive therefore needs to balance the risks against the benefits and consider the interests of Council Tax payers and others who contribute to the Council's funding and reach a reasonable decision as to whether to pursue an outline planning application.

- (b) Under the Authority's Contracts Procedure Rules, if a relevant Director believes that there is only one possible contractor or supplier in respect of any particular contract he/she may, with the approval of the Executive for contracts over £35,000, invite and accept a tender from a single supplier. The Acting Director is of the view that this is the case in these particular circumstances and is therefore seeking the Executive's approval accordingly.

4. Corporate –

The proposal is in line with the provisions of the Asset Management Plan and the Council's corporate priorities

5. Risk Management –

As set out in legal comments above. Specialist advice is in place to inform the process

6. Equality and Disability – None at this stage

7. Environmental –

Environmental assessments and studies will be required as part of the planning application

8. Crime and Disorder – None

9. Impact on Customers –None



Land at Morton

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Scale: 1:2,500

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