

REPORT OF Head of Communities and Place
To: Full Council
Subject: Brunswick Wharf Land Release Fund
Date: 20th September 2021

Reference:

PURPOSE OF REPORT:

To inform members of the details of the Land Release Fund award to Torridge District Council for quay wall works at Brunswick Wharf and to seek approval for the award sum to be added to the capital programme.

1. INTRODUCTION

East-the-Water Wharves is an historic site based on reclaimed land, which contains the former Brunswick, Queen's, Steamer and Clarence Wharves. The site is now owned by Red Earth Ltd with exception of the Quay wall and a 7m strip of land adjacent to it which has been retained by Torridge District Council.

Much of the site has remained derelict/ underutilised since the early 1990s, with the other half being a car park. The quay wall is no longer fit for purpose within modern planning and safety requirements so there is currently no public access to the riverfront.

2. REPORT



Aerial View of the Brunswick Wharf site

Recent history of the site regeneration proposals:

- **2006:** TDC Identify Brunswick Wharf as one of 5 key Bideford Regeneration sites
- **2011:** TDC Adopt site Development Brief – Mixed use development
- **2012:** Developer selected for regeneration project
- **2015:** Planning application granted conditional consent for Mixed use development comprising 52 residential units, approximately 763 sq metres of retail / commercial development, open space, car parking, marina, (including managers accommodation) and associated development.
- **2016:** Developer withdrew due to viability issues
- **2017:** Red Earth (<https://www.red-earth.org/>) bid to develop the site as part of a competitive process
- **2018:** Red Earth and Torridge District Council jointly appoint the John Grimes Partnership to advise on the remedial works required to the quay wall.
- **2019:** Red Earth and Torridge District Council exchanged the conditional contract for the redevelopment of the site.
- **2020:** Red Earth commence detailed Planning submission and continue to work with Torridge District Council on the works to the quay wall.
- **March 2021:** Red Earth secure Full Planning consent and the contract with Torridge District Council becomes unconditional.
- **June 2021:** LRF Funding Announcement
- **August 2021:** Red Earth complete the acquisition of the Wharf site.

Proposed Scheme



CGI impression of the proposed Brunswick Wharf Scheme

Red Earth's vision is to transform the currently derelict and under-utilised area into a vibrant new heart for the community, which aims to complement, not compete with the town centre. The proposals aim for excellence in design, respect for the historical significance of the wharves and the highest sustainability standards. The proposals will provide homes and a leisure destination that will provide an addition to Bideford's offer. However, investigations have demonstrated that it is a challenging site to deliver, and the viability of the scheme (as accepted by Plans Committee) prevents policy compliance, in particular for the delivery of affordable housing.

As consented the scheme will deliver:

- 85 residential units
- 5 Design Studios with potential for live/work
- 7 retail units
- 1 signature restaurant and 1 cafe
- New public realm, including a riverside walk and public art, neither of which currently exist in this form, generating both externality benefits and public good, generating vibrancy and acting as a springboard to knock-on investment into surrounding riverfront sites
- Flood protection resilience for that part of East the Water

In addition it is anticipated that the scheme will provide these additional benefits:

- An estimated £22, 630,000 investment in Bideford (likely to have increased since Nov 2020 when the estimate was made)
- 64 FTE jobs created
- Estimated 240 FTE construction jobs

Contract Of Sale

The majority of the site is now in the ownership of Red Earth Ltd. The Quay wall and a seven metre strip of land adjacent to it have been retained by TDC. Red Earth are contractually bound to stabilise and improve the Quay Wall as well as create a riverside walkway for Torridge District Council. The estimated cost of these work was £797,000 in November 2020.

One Public Estate (OPE) and the Land Release Fund (LRF)

OPE is an established national programme delivered in partnership by the Office of Government Property (OGP) within the Cabinet Office and the Local Government Association (LGA). 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.

OPE partnerships across the country have shown the value of working together across the public sector and taking a strategic approach to asset management. At its heart, the programme is about getting more from our collective assets - whether that's catalysing major service transformation such as health and social care integration and benefits reform; unlocking land for new homes and commercial space; or creating new opportunities to save on running costs or generate income. This is encompassed in three core objectives:

1. Creating economic growth (new homes and jobs)
2. Delivering more integrated, customer-focused services
3. Generating efficiencies, through capital receipts and reduced running costs.

Land Release Fund

The delivery of new homes across England is a national priority for Central Government. Local Government is equally committed to supporting housing development.

Since 2017, OPE has partnered with MHCLG to deliver the Land Release Fund (LRF). The LRF has accelerated the release of local authority-owned land for housing to help increase the public sector contribution to land supply and innovation in housebuilding. The LRF currently supports 69 local authority projects which are on track to release land for more than 6,000 homes. Successful projects from a second application round are due to be announced shortly.

The LRF is a unique programme. It targets small sites where viability issues have prevented the release of local authority-owned land for housing delivery. LRF-funded projects can deliver at pace by bridging viability gaps to accelerate the release of land for housing.

Torridge District Council was made aware of the funding opportunity in late October 2020 and made application to the land release fund in early November 2020 for £797,000. The intention was that by assisting with the costs of delivering the Quay Wall improvements and riverside walk the viability gap on the proposed development would be in part bridged.

Successful funding applications were announced in June 2021, with the Torridge application being one of those. Torridge District Council was awarded the full application sum of £797,000 to assist with delivery of the proposed Brunswick Wharf scheme.

Grant Criteria

The grant award has been made to TDC on the condition that the funding is used to improve the quay wall and riverside walk. The intention of LRF is that this will expedite the release of the land for housing delivery as set out in the planning consent.

Grant reporting

TDC will need to report progress on the Brunswick Wharf Scheme on a quarterly basis until Q4 2023/24. This will include progress against target milestones like land released, units completed etc.

3. IMPLICATIONS

Legal Implications

A grant funding agreement with OPE has been agreed and signed by the S151 Officer. Red Earth are contracted to agree a specification of quay wall works with TDC and make the agreed improvements to the TDC Asset. TDC would then with Red Earth to provide financial assistance toward the cost of that work to a maximum amount of £797,000 (the LRF grant amount).

Financial Implications

The sum of £797,000 will need to be added to the capital programme if the grant is to be accepted and used for quay wall improvements. Any payments to the contractor doing the quay wall works will be retrospective on evidence of cost to a maximum amount of £797,000. Any amount not spent of quay wall works under the £797,000 will need to be returned to the OPE programme.

Risk Management

The risk of grant claw back was negated at the point of sale of the land for housing delivery in accordance with the consented scheme.

If the Council were to decide not to accept the grant funding there is potential for reputational risk in being seen to not support regeneration or boost its local economy in the post-Covid-19 world. Construction inflation has increased significantly since the application was made to the LRF and this has further increased the viability gap on the proposed scheme. There is a risk that without this financial assistance the site will remain undeveloped.

The Council could be viewed to be unsupportive of housing delivery at a time of stated housing need, in fact Bideford Town Council has declared it's own Housing Emergency. It is also likely that future applications to OPE or LRF schemes would be considered less positively.

The proposed works provide flood risk prevention for the surrounding area of East the Water.

There is a risk that if the financial assistance is not provided to the contractor the work done to the quay wall will be completed to the minimum acceptable standard. TDC will have ongoing maintenance responsibility for this wall and the riverside walk. The grant funding will provide room for an enhanced specification of improvements to the Quay wall thus, potentially, assisting TDC in the reduction of maintenance liabilities.

Compliance with Policies and Strategies

The delivery of the proposed development at Brunswick Wharf is in accordance with a significant range of local and national strategies;

- ***East the Water Wharves Development Brief 2011***
- **2020 Vision, Strategic Plan 2020-2023 – Torridge District Council**
- Compliments the stated ambition of the ***Northern Devon Recovery Prospectus 2021 - 2023***
- This development also supports the ***Heart of the South West LEP's Strategic Economic Plan 2014-2030***
- Provide avenues to strengthen the ***Heart of the South West LEP's Local Industrial Strategy***
- Supports 4 of the 6 key priorities of the ***Northern Devon Economic Strategy (2014 – 2020)***;
 - Priority 1- Investment in Place
 - Priority 2- Investment in People
 - Priority 3- Investment in Business and Enterprise
 - Priority 6- Investment in the development of future Growth Areas
- ***Northern Devon Tourism Strategy (2018-2022)***'s central facets- "Developing the tourism product", "Engaging and connecting with visitors" and also "Developing capacity and capabilities".

Data Protection (GDPR) Implications

No personal data is being collated / collected

Lead Member Views

Cllr Ken James, Leader of the Council

I am pleased to see progress with the delivery of the Brunswick Wharf proposal after so many years and wait for the various benefits it will bring to Bideford. The grant awarded to the Council for the Quay wall will help to ensure that the scheme is expedited and that the Council's asset is renovated to a high standard. Therefore I support the recommendation in this report.

Date of Consultation - 08/09/21

4. CONCLUSIONS

It is concluded that the Council have:

- Agreed the sale of Brunswick wharf to Red Earth for the delivery of the approved scheme
- Granted Planning consent for the proposed scheme
- That the proposed scheme has qualified for and been offered LRF funding to assist its delivery
- There is a need for additional housing delivery in the area (of all types, not only affordable homes) and it is a strategic ambition of the Council to ***increase the availability of quality homes that meet local needs and to progress and accelerate where possible opportunities for economic regeneration in the district's main tourism and employment areas.***
- The Quay Wall is in a poor state of repair and it remains in the ownership of the Council who will retain maintenance responsibility.
- There is no cost to the Council in being the conduit for the funding intended to expedite delivery of housing.

Given the above it would seem logical to add the grant sum to the capital programme thus improving the deliverability of the Council's long-term ambition for the site.

5. RECOMMENDATIONS

It is recommended that a sum of £797,000 is added to the Council's Capital Programme to Quay Wall works at Brunswick Wharf in accordance with the LRF funding criteria and an agreed specification of work with Red Earth.

SUPPORTING INFORMATION

Consultations:	Date of Consultation – Sept 2021
	Officers Consulted – Chief Executive, Head of Legal and Monitoring Officer, S151 Officer,
Contact Officer:	Head of Communities and Place