

Supporting Information and Impact Assessment

Service / Policy:	Torbay Development Agency		
Executive Lead:	Mayor / Executive Lead for Finance and Regeneration.		
Director / Assistant Director:	TDA Director of Economic Strategy / Alan Denby		
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Section 1: Background Information

1.	<p>What is the proposal / issue?</p> <p>The redevelopment of Council owned land known as 'Claylands' on the Brixham Road in Paignton using a combination of Council and LEP funding.</p> <p>To create a revenue generating property asset for the Council by redeveloping unused 'brown field' Council owned land that is surplus to the Council's operational requirements. The objectives being to: create a sustainable long term income stream for the Council, to support the growth of local employers and to promote job creation and economic development in Torbay.</p> <p>The commitment of the proposed TC investment (save for a diminimus amount needed for seed corn funding from existing TDA budgets) would be dependant on the TDA securing pre-lets or forward sales.</p>
2.	<p>What is the current situation?</p> <p>Claylands was previously used as a waste transfer site, whilst in that use it was used to sort/re-cycle waste materials from local construction sites. The site was not transferred to Tor2.</p> <p>There is no evidence that the site has ever been used for landfill tipping. The site is registered as a waste processing site and as such requires proper investigation, monitoring and compliance with an agreed closure programme (to be agreed and approved by the Environment Agency) prior to redevelopment. TC has in conjunction with the TDA and the Environment Agency (EA) been working towards 'closing' Claylands for a number of years. The monitoring that has already been undertaken is not showing site to be methane 'venting' nor producing abnormal leaching or the presence of deleterious substances or contaminants that it is thought that would prevent development. It is believed that the EA will not oppose a planning application for employment use. Further on going monitoring will continue after development.</p> <p>The site is allocated both in the emerging Draft Local Plan and the Draft Neighbourhood Plan for Employment use.</p>

The site requires a new road access, internal road and services infrastructure, ground stabilisation and retaining structures (to deal with significant changes in ground levels). Buildings constructed on the site will require piled foundations. All of these abnormal items will substantially add to the development cost of the site.

The LEP has provisionally offered £2.5M to fund the cost of the cost of dealing with site 'abnormals' and infrastructure enabling works. Based on current cost advice the LEP offer is adequate to meet the necessary costs.

Due the 'abnormals' the site currently has a negative land value and is a liability.

TC investment in Stage 3 Costs would be conditional on:

1. LEP funding being secured in advance to meet the cost of the site 'abnormals',
2. Investment returns meeting pre agreed returns on Capital
3. The terms of all occupational leases in the scheme being approved by the Council's Chief Executive and the S.151 officer in consultation with the Mayor
4. Planning and other statutory approvals.
5. Further due diligence on technical issues and costs.

Local Enterprise Partnership Funding in 2016 (subject to planning) = £2.5M
Torbay Council funding £7.5M from 2017.

3. What options have been considered?

1. Sell the site
 - a. In its unimproved state for the private sector to develop
 - b. As serviced plots direct to owner occupiers once the remediation and site 'abnormals' have been addressed.
 - c. As freehold disposal on completion of development.
2. Develop for other uses.

It is recommended Option 1a be discounted because the record of the private sector to bringing forward industrial development in Torbay is not good for reasons explained in the Economic Strategy. The LEP funding on the abnormalities via private sector development is unlikely.

Option1b – Should be retained as a option that would be considered as a full or partial alternative. TC's priority is to promote employment. Other opportunities to create investment will exist and sales proceed could be re-cycled.

Option 1c - Should be retained as a option that could be considered as a full or partial alternative. TC's priority is to promote employment. Other opportunities to create investment will exist and sales proceed of the completed developments could be re-cycled elsewhere.

	<p>Option2 The options were considered during the local plan process and employment has been widely considered during the consultation stages to be most suitable. The site is not well suited to residential use due to the previous use. There is a shortage of quality well located employment sites in Torbay that meet the unsatisfied needs of local firms is an issue. The Economic Strategy 2013 – 2018 addresses this issue.</p>
<p>4.</p>	<p>How does this proposal support the ambitions and principles of the Corporate Plan 2015-19?</p> <p>Torbay Council’s Corporate Plan refers to ‘A prosperous Torbay’ and says:</p> <p>“The Council’s Economic Strategy 2013-2018 and the new Local Plan sets out the need to create more employment in Torbay and this means we need to continue to secure investment in support of as well as sites and premises”</p> <p>Torbay Council’s Corporate Plan refers to ‘Thinking for the Future’ and says:</p> <p>“we need to look at new ways to generate income using our current resources” and speaks of “attracting new investment (and) benefit our communities and key business sectors”</p> <p>The Torbay Economic Strategy 2013 – 2018 says:</p> <p><i>“Claylands – One of the sites identified as a potential enterprise area is Claylands. Closely linked to the existing industrial areas in Paignton there has been a great deal of interest from businesses in the site. However, the challenging rental market in Torbay means the cost of servicing the site makes development prohibitively expensive. By putting the servicing in place the site will be opened up for employment use and job creation.”</i> (Priority 1 on Page 13)</p> <p><i>“Ensuring that the right land, buildings and infrastructure are in place to support business growth:</i></p> <p>.....</p> <ul style="list-style-type: none"> ○ <i>Bring forward the Claylands site in Paignton for an employment scheme ”</i> <p><i>(Executive Summary on Page 7)</i></p>
<p>5.</p>	<p>Who will be affected by this proposal and who do you need to consult with?</p> <p>Those affected by the proposal are:</p> <ol style="list-style-type: none"> 1. Local Residents 2. Other neighbouring occupiers – (not directly by the proposal but rather

	<p>any resultant development).</p> <ol style="list-style-type: none"> 3. Community Representative Groups (not directly by the proposal but rather any resultant development). 4. Local Businesses <p>It is believed the majority of the Public Interest in Claylands will relate to subsequent development management issues. The report before Council does not relate to these issues. Public interest / concern relating to the Council's consideration of participating in direct development at Claylands will relate to budgetary and financial issues.</p>
<p>6.</p>	<p>How will you propose to consult?</p> <p>Public interest/concern from Local Residents relating to an operational decision to engage in direct development at Claylands would relate to budgetary and financial issues this will be considered in response to comments made following publication of forward plan.</p> <p>Public Consultation in relation to development management issues will be considered as a part of the planning process, as follows:</p> <ol style="list-style-type: none"> 1. Local Residents. Local residents will be consulted by public displays & meetings prior to any planning applications being submitted these will be advertised locally. <p>The prospect of the TDA's engaging in direct development at Claylands could be dealt with by a news release so as to make the public aware of the proposal in the context of budgetary and financial considerations.</p> <ol style="list-style-type: none"> 2. Other neighbouring occupiers: Paignton Zoo have already been contacted as has WM Morrisons. The Zoo declined a meeting request preferring to defer consideration until proposals are more advanced. Letters will be sent to home owners whose houses abut the site and to all other neighbours prior to planning applications being submitted. 3. Community Representative Groups The principle of Employment Use on the land has already been discussed and accepted within the Neighbourhood Forum. There was consultation in Nov/Dec 2014. Employment Use is proposed in the Neighbourhood Plan. The TDA has briefed the Chair of the NF to advise that the Council will be considering options on estates strategy. The Chair was content with the proposed approach to consultation. 4. Local Businesses. Contact will be made through the Chambers of Commerce and the TDA's weekly newsletter.

Section 2: Implications and Impact Assessment

7. **What are the financial and legal implications?**

Possible legal implications will predominantly be likely to relate to the contracting of land and buildings with prospective occupiers and also in relation to procurement matters. Prospective negative impact implications are addressed in the Risk Assessment.

The key financial implication relates to the fundamental issue that is inherent in the proposal relating to the decision that the Council is asked to make concerning the commitment of £7.5M of capital. To be initially funded from prudential borrowing to be repaid from rental returns paid by occupiers of the premises built on the site.

The present indications suggest that the rental income from the site will exceed borrowing costs by approximately 20% which allows a margin of error.

Development of land and buildings will trigger an increase in business rates. Potential changes announced in the Spring Review 2015 will allow TC to retain 98% of the NNDR income by the end of the parliament.

Financial Risk implications are also addressed in the Risk Assessment.

8. **What are the risks?**

A full risk assessment has been undertaken and a copy is available on request from Iain Masters, Senior Development Surveyor in the TDA (01803 208 975).

9. **Public Services Value (Social Value) Act 2012**

The Proposal does involve the procurement of 'goods and services'. The Council's Procurement Team has been consulted/involved from the outset and the provisions of the Act have been considered.

External architects, cost consultants, and engineers have been procured (Stage 1 costs) through the Council's Framework. There is a staged appointment agreed with the appointed professional advisors with fees and further commitment contractually reserved with dependencies being linked to key stages in the approval process.

All professional advisors and any subsequent contractors will similarly be procured using the Council's Procurement Framework or competitively tendered where the use of the Framework is not possible/appropriate (Diminimus exceptions excepted in accord with Council Standing Orders). The Framework places duties on bidders in relation to equalities and social inclusion.

	<p>Opportunities to require contributions to ‘Social Value’ will be explored during tenders and dealings wherever and whenever this is legally possible and commercially desirable for the Council. For instance the award of the construction contract would invite bidders to make a statement explaining how their firm would contribute to social value through, training and the use of local labour etc.</p>
<p>10.</p>	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>The TDA and Torbay Council have commissioned and obtained a preliminary feasibility study, engineering advice and detailed (but at this stage preliminary) cost advice.</p> <p>The perceived requirement for the proposed scheme arises from TDA discussions with local firms. Frustration is frequently expressed by employers about the lack of suitable business premises available and the affordability of buildings via the private sector. This view is endorsed by local property consultants. The aims and observations of the Economic Strategy and information from it have been fully considered.</p> <p>Preliminary consultation with the Environment Agency has been undertaken. Pre-application discussions have been commenced with Torbay Council’s planning officers. The Council’s Highways Team have been provisionally consulted on the highways design aspects as have the TDA’s drainage engineers on drainage issues. All design discussions are at preliminary stages of design evolution.</p> <p>Numerous different site surveys and technical reports have already been commissioned including topographic surveys, bore hole sampling and soils investigations, ecological surveys. Other surveys and investigation will follow with ‘Stage 2’ due diligence.</p> <p>Actual investment decisions and the commitment of resources will be dependant on further due diligence in ‘Stage 2’ prior to delegated authority being sought to proceed and commit in ‘Stage 3’. Many of the technical issues will also be considered by Members as part of the planning process.</p>
<p>11.</p>	<p>What are key findings from the consultation you have carried out?</p> <p>Consultation to date has been confined to the principles of development of Employment Uses on Claylands via the Draft Local Plan and the Neighbourhood Plan. No objections have been received in relation to either.</p> <p>The Land is to be allocated in Emerging Local Plan for employment purposes subject to inclusion in the Neighbourhood Plan. At each stage of developing the Plan there has been public consultation.</p> <p>The Economic Strategy involved a consultation process the detail of which was</p>

	considered prior to adoption.
12.	Amendments to Proposal / Mitigating Actions None

Equality Impacts

<p>13</p>	<p>Identify the potential positive and negative impacts on specific groups</p> <p>The comments that follow largely relate to equalities impacts that would result from the development that would flow from the decision being made on the Proposal rather than from the actual investment decision in the Proposal. It is difficult to envision there being equalities issues relating to the Investment Proposal other than indirect ones arising from opportunity cost issues arising from a decision to committing capital for the project rather than spending available capital on other priorities. The investment would also have potential to impact prudential borrowing. The asset that would result will create a revenue stream that will fund future Council budgets.</p> <p>Equalities issues relating to supply chain issues are addressed in the Council's Procurement Framework.</p>		
	<p>Positive Impact</p>	<p>Negative Impact & Mitigating Actions</p>	<p>Neutral Impact</p>
<p>Older or younger people</p>	<p>Fostering growth of employment in local firms will provide employment opportunities.</p> <p>· Excellent public transport provision in close proximity</p> <p>Good communications and central location in Torbay will improve accessibility to employment.</p> <p>It is and will be a condition of engagement by TC that all suppliers connected with the Project are equal opportunity suppliers. A statement of social value will be required.</p>	<p>None</p>	

People with caring Responsibilities	<p>Good communications and central location in Torbay will improve accessibility to employment.</p> <p>Excellent public transport provision in close proximity</p> <p>It is and will be a condition of engagement by TC that all suppliers connected with the Project are equal opportunity suppliers. A statement of social value will be required.</p>	None	
People with a disability	<p>New Employment premises will be constructed in accord with DDA legislation.</p> <p>Excellent public transport provision in close proximity</p> <p>It is and will be a condition of engagement by TC that all suppliers connected with the Project are equal opportunity suppliers. A statement of social value will be required.</p>	None	
Women or men	<p>Good communications and central location in Torbay will improve accessibility to employment.</p>	None	

	It is and will be a condition of engagement by TC that all suppliers connected with the Project are equal opportunity suppliers. A statement of social value will be required.		
People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>	It is and will be a condition of engagement by TC that all suppliers connected with the Project are equal opportunity suppliers. A statement of social value will be required.	None	
Religion or belief (including lack of belief)	It is and will be a condition of engagement by TC that all suppliers connected with the Project are equal opportunity suppliers. A statement of social value will be required.	None	
People who are lesbian, gay or bisexual	It is and will be a condition of engagement by TC that all suppliers connected with the Project are equal opportunity suppliers. A statement of social value will be required.	None	
People who are transgendered	It is and will be a condition of engagement by TC that all suppliers connected with the Project are equal opportunity suppliers. A statement of social value will be required.	None	
People who are in a marriage or civil partnership	It is and will be a condition of engagement by TC that all	None	

	suppliers connected with the Project are equal opportunity suppliers. A statement of social value will be required.		
Women who are pregnant / on maternity leave	It is and will be a condition of engagement by TC that all suppliers connected with the Project are equal opportunity suppliers. A statement of social value will be required.	None	
Socio-economic impacts (Including impact on child poverty issues and deprivation)	Excellent public transport provision in close proximity will provide opportunities to access to employment for those currently excluded as a result of being a non car owner. It is and will be a condition of engagement by TC that all suppliers connected with the Project are equal opportunity suppliers. A statement of social value will be required.	None	
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	n/a	n/a	The proposal is not likely to have health impacts and would therefore be a neutral consideration
14	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	None Identified	

15	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	None identified
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