

REPORT TO: Executive Board

DATE: 21st February 2008

REPORTING OFFICER: Strategic Directors, Corporate & Policy and Environment

SUBJECT: Castlefields Village Square

WARDS: Castlefields, Windmill Hill

1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to advise Executive Board of a change in English Partnerships funding position and to seek approval for the Council to utilise part of the capital receipts from the disposal of Council owned land at Castlefields to support the development of the proposed Castlefields Village Square.

2.0 RECOMMENDATIONS

It is recommended that:-

- 2.1 **The Strategic Director, Corporate & Policy be authorised to commence marketing and sale of the housing sites in the Council's ownership as shown in Appendix 1 of this report.**
- 2.2 **The Council is recommended to include up to a maximum of £3.9m within the Council's capital programme to be invested in the delivery of the Castlefields Programme, including the Village Square project, funded from future land receipts.**
- 2.3 **Authority be given to the Strategic Director, Environment in consultation with the Strategic Director, Corporate & Policy and the Operational Director and Monitoring Officer (Legal, Organisational Development and Human Resources), to enter into a development agreement and ancillary agreements with CDS Housing and English Partnerships in relation to the development of the Castlefields Village Square.**
- 2.4 **Authority be given to the Strategic Director, Environment in conjunction with the portfolio holder for Planning, Transportation, Regeneration and Renewal, to take such other actions as may be necessary to implement the development of the Castlefields Village Square and the Castlefields Masterplan.**

3.0 SUPPORTING INFORMATION

Background

- 3.1 Following the adoption of the Castlefields Masterplan by the Castlefields Partnership in 2003 the area has been transformed by a range of projects, including the demolition of 700 deck access flats, the construction of over 400 new homes, the creation of Halton's new Phoenix Park, the removal of a section of busway and the construction of a new link road, providing direct access to the new local centre.
- 3.2 This work has been complemented by several public realm projects and infrastructure improvements to address local residents' concerns including: the closure of a number of problematic subways, extensions to the cycle/pedestrian network and new public realm lighting.

The Village Square

- 3.3 Castlefields local centre is located approximately 1 km North of Halton Lea Shopping Centre. It can be accessed by car from Richard Close, Kingshead Close, Chester Close and a busway which has a stop underneath the shopping centre in both directions. The centre is poorly signposted and it can be assumed that most, if not all, of the trade is from the surrounding residential estate. The building is a large concrete structure, which is dated in appearance and suffers from a high level of vacancies and poor maintenance. The centre in its present form is very unwelcoming with dated concrete construction and enclosed spaces, creating a dark and threatening environment.
- 3.4 In order to address these problems the Castlefields Masterplan, which was approved by Executive Board on the 25th September 2003, sets out the proposals for the establishment of a new Village Square. The Masterplan envisaged the provision of a public space at the very heart of the Castlefields estate, bringing together community services and an intersection of roads, paths and transport modes.
- 3.5 The Village Square is located within a priority Action Area in Policy RG7, 'Castlefields', of the Halton UDP and is identified within the Castlefields and Norton Priory, Supplementary Planning Document (SPD) for retail and community uses. The initial concept for the Village Square, as identified within the Masterplan did not include any retail provision; the existing retail centre was to be relocated to a new site adjacent to the Bridgewater Canal. Following extensive consultation on the SPD, it was agreed at Executive Board on the 9th June 2005 to relocate the retail allocation within the Castlefields estate from the proposed Masterplan site to the Village Square.

Voluntary Memorandum Of Understanding (MoU)

- 3.6 English Partnerships (EP), who have been leading on the delivery of the Village Square, selected CDS Housing (CDS) to act as development partner for the project. CDS already have a major commitment to the area with extensive property holdings on Castlefields and have a track record of delivering high quality developments as part of the Castlefields Regeneration Programme.
- 3.7 At its meeting on the 20th April 2006 Executive Board approved entry into a Voluntary Memorandum of Understanding with EP and CDS as a mechanism to allow the Village Square scheme design to be progressed until a formal legally binding development agreement was entered into.

The Village Square Project

- 3.8 On 22nd October 2007 Development Control Committee, following public consultation, granted detailed planning approval for plans to redevelop the local centre. These allow for the demolition of the existing local centre and the provision of new retail units, residential dwellings, a new community centre and the creation of a Village Square. Design work is now nearing completion and CDS is preparing to seek competitive tenders for phase two of the project.
- 3.9 Over a period of two years, it is intended that the existing buildings will be cleared in phases and re-built around a Village Square. This will coincide with further improvements to the busway, which will allow direct access for buses, cars, pedestrians and cyclists to the new centre once the development has been completed.
- 3.10 The new Village Square will provide a mix of community facilities, retail outlets and residential accommodation. The Square will form the main focal point for the area, providing both public amenity space and access to new services. A new Community Centre will also be provided improving the range of services available to local residents.
- 3.11 The Village Square development will be delivered in two phases. Phase One, the provision of 24 residential units for rent, commenced in October 2007 and it is anticipated that Phase Two will commence in early Summer 2008 with an anticipated completion in 2010.
- 3.12 The Primary Care Trust (PCT) is also bringing forward proposals to construct a new health facility adjacent to the Village Square in conjunction with Partners For Life (P4L). This will allow the range of health services available to local residents to be increased and improved.
- 3.13 The Village Square proposals directly contribute to the overall strategic priorities of the Borough's 'Corporate Strategy', which focus on the

need to improve health, urban renewal, life chances, employment, prosperity and equality, and safe and attractive neighbourhoods.

The Compulsory Purchase Process (CPO)

- 3.14 The development of the new Village Square is dependent on the acquisition and demolition of the existing local centre, which is in private ownership. Following EP's unsuccessful attempts to acquire the centre through negotiation, the Executive Board, at its meeting on the 20th July 2006, resolved to use the Council's CPO powers to acquire the local centre, supported by a funding agreement with EP to meet the cost of compulsory purchase proceedings and acquisition.
- 3.15 A public CPO inquiry was held on 2nd and 3rd October 2007. Although the Inspector's decision is expected in the next two months, at the time of writing the decision is still awaited.

Village Square Project Funding

- 3.16 EP, who are leading on the project, have been working with CDS and their agents to develop scheme proposals for the Village Square. EP was to provide funding to CDS for the demolition of the existing centre, enabling works, public realm works and abnormal costs to ensure the scheme is deliverable. The estimated total scheme cost is currently £11.8m.
- 3.17 The original scheme funding profile consisted of the Council funding the new Castlefields Community Centre with CDS and EP meeting the costs of delivering the Village Square project. The Phase One residential element of the scheme has also attracted Housing Corporation grant funding.
- 3.18 The cost of funding the demolition, enabling works, abnormal costs and public realm works associated with the new development is £3.9m. EP have an overall allocation for the Castlefields regeneration programme of £6.868m, approximately £1m of which is available to support the Village Square. EP have already committed circa £360k of this to support Phase One of the Village Square, which has already commenced.
- 3.19 The cost of funding the demolition, enabling works, abnormal costs and public realm works has been known for some time and EP stated their intention to bid for additional internal resources to support this scheme. However, their position has now changed and EP are no longer in a position to bid for additional funding. Consequently EP have now proposed that they would provide gap funding for the Canal Quarter project, if Halton agreed to recycle part of its future land receipts from Castlefields to support the Village Square.

- 3.20 This EP decision has left a funding gap which it is proposed is filled by utilising a proportion of the receipts secured from the sale of Lakeside and Canalside as explained further below.

Castlefields Housing Development Sites

- 3.21 A key element of the Castlefields Masterplan is the ambition to diversify tenure in the area and provide a greater housing choice for local residents and those who wish to move into Castlefields. To assist in achieving this the Council identified within the Castlefields Masterplan and Castlefields & Norton Priory Action Area SDP a number of Council owned sites for future private sector housing development.
- 3.22 At its meeting on 28th August 2008, the Development Control Committee gave outline planning approval for the construction of 355 homes at Canalside and Lakeside, Castlefields. Officers are currently producing a development brief to enable the first of the sites, Lakeside, to be marketed in Spring/Summer 2008. The Council has already received several enquires from developers interested in bidding for the sites.
- 3.23 An initial valuation of both the Lakeside and Canalside residential development sites has been undertaken by Property Services. These assessments of value have been based on comparable evidence of open market sales of residential sites over the last twelve months in similar localities within the Borough.
- 3.24 From the capital receipts, it will be necessary to recover the Council's commitment to the Castlefields Regeneration Programme, which has been running since 2003. It is recognised that without this investment these two residential development sites would not be marketable. The committed expenditure through the Castlefields Programme in respect of demolition, remediation, infrastructure and public realm enhancement works is circa £6m.
- 3.25 It is estimated that the net receipts will exceed the public realm and enhancement works. The Lakeside and the Canalside sites are subject to clawback by EP, which is subject to negotiation but will not exceed the balance of any receipts.

4 POLICY IMPLICATIONS

- 4.1 The Castlefields Masterplan, 'An Ambition for Regeneration and a Plan for Action' was formally adopted by the Council on the 25th September 2003. The Masterplan was subsequently translated into a SPD for Castlefields and Norton Priory, which was adopted by the Council on the 9th June 2005.
- 4.2 The Castlefields SPD is linked to the saved policy RG7, 'Castlefields', within the Halton Unitary Development Plan, which identifies

Castlefields as a priority Action Area. The Halton Unitary Development Plan was formally adopted on 7th April 2005 as the new statutory development plan, replacing the Halton Local Plan.

4.3 All of the aforementioned policy documents align with the guiding principles of Halton's Corporate Plan 2006-11, Halton's Community Strategy 2006/11 and meet the following Urban Renewal Key Objectives:

- **Key Objective C:** To support and sustain thriving neighbourhoods and open spaces that meet peoples expectations and add to their enjoyment of life.
- **Key Objective D:** To ensure Halton designs in and maintains high levels of accessibility to places and spaces so that opportunity and need are matched, and provides excellent connectivity to the wider world through transport and ICT links.

5 OTHER IMPLICATIONS

5.1 The delivery of the new Village Square is a key priority within the Castlefields Masterplan. The removal of the existing centre and the creation of a new vibrant local centre, which will provide community focus, bring service providers together and act as a community hub, is an essential ingredient in ensuring the sustainable future of the Castlefields area. Its delivery is also seen as key to ensure private sector interest in the area is maximised. Failure to deliver the new centre at this stage in the process will also have implications for the CPO of the existing centre.

6 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People

The new Community Centre will incorporate a youth wing.

6.2 Employment, Learning and Skills in Halton

The new Community Centre will include a new neighbourhood library and IT suite.

6.3 A Healthy Halton

The PCT is bringing forward proposals to construct a new health facility in conjunction with P4L. This will complement the Castlefields regeneration programme and allow the range of health services available to local residents to be increased and improved.

6.4 A Safer Halton

The redevelopment of the local centre aligns with the aims of the safer Halton priority.

6.5 Halton's Urban Renewal Strategy

The Castlefields regeneration programme is a key regeneration priority for Halton and a priority in Halton's Housing Strategy.

7 RISK ANALYSIS

7.1 EP have given a verbal indication of their intention to gap fund the Canal Quarter project in return for Halton recycling land receipts into the Village Square. Officers will pursue an exchange of correspondence confirming EP's intention to provide funding for the Canal Quarter. Failure to deliver the new Castlefields Village Square at this stage in the process would have implications for the CPO of the existing centre. There is a risk that any up front expenditure may not be met by the later sale of the Lakeside and Canalside sites.

7.2 A risk analysis has been completed and will be included on the Council's Risk Register.

8 EQUALITY AND DIVERSITY ISSUES

8.1 The recommendations within this report will not have any identifiable equality and diversity implications.

9 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Castlefields & Norton Priory Action Area, Supplementary Planning Document, Consultation Draft;	Planning Department, Rutland House Runcorn	Andrew Pannell
Castlefields & Norton Priory Action Area, Supplementary Planning Document, Second Consultation;	Planning Department, Rutland House Runcorn	Andrew Pannell
Review Of Retail Provision On Castlefields	Major Projects Department, Municipal Building, Widnes	Castlefields Project Team, 0151 907 8381

Castlefields Masterplan

Major
Projects
Department,
Municipal
Building,
Widnes

Castlefields Project
Team, 0151 907
8381

APPENDIX 1: Castlefields Housing Sites

