

BOROUGH OF KETTERING

Committee	EXECUTIVE	Item 11	Page 1 of 5
Report Originator	Lisa Hyde Executive Director	<i>Fwd Plan Ref No:</i> A16/030	
Wards Affected	St. Giles & Loatland – Desborough	14 th June 2017	
Title	FORMER LAWRENCES SITE – DESBOROUGH (UPDATE)		

Portfolio Holder: Cllr Lesley Thurland/Cllr Mark Dearing

1. PURPOSE OF REPORT

To update Executive on the progress to develop the former Lawrence's factory site in Desborough and to propose, in principle, to begin discussions with Desborough Community Development Trust (DCDT) and/or Desborough Town Council on the transfer of the factory building on a long term lease at a nominal rent.

2. BACKGROUND

- 2.1 The Council acquired this site in 2004/5 upon receipt of a grant, with the purpose of it being an employment area.
- 2.2 After several attempts to progress a redevelopment scheme for the site, which the market did not respond to, and then the ultimately abortive plan to develop the site for a large supermarket, it remains derelict.
- 2.3 Throughout this period, there has been a local campaign to retain and put back into use the old factory building, which is extremely dilapidated, led more recently by Desborough Community Development Trust (DCDT).
- 2.4 At the time that the supermarket proposal fell through and a subsequent remarketing exercise was unsuccessful, Executive Committee agreed to pause any further work to give DCDT time to develop a proposal for the factory building and/or the wider site.
- 2.5 In 2016 DCDT commissioned consultants to undertake a high level options appraisal for the future development of the former Lawrences factory building.
- 2.6 During this period the Council subsequently agreed informally to develop its own proposals for the adjacent site, based on residential, ideally for specialist housing need.

BOROUGH OF KETTERING

Committee	EXECUTIVE	Item 11	Page 2 of 5
-----------	------------------	------------	----------------

3. PROGRESS - LAWRENCES FACTORY ONLY

3.1 DCDT secured a grant to enable them to carry out a feasibility study, which was substantially completed by the end of 2016 and recently shared with KBC. This focused on the factory building and associated parking off New Street, rather than the overall site, and suggests the building can be converted to provide: -

- Incubator or starter workspace for small businesses
- A museum/heritage centre
- Cafes and shops
- Community space for hire

3.2 The report indicates the likely cost of conversion work, and envisages that income is generated from rental values to maintain the building once it is up and running. The cost of conversion work could be met by a Heritage Lottery Fund grant and from other charitable sources, borrowing and even from crowdfunding. At this time DCDT have not shared any business plan they may have drawn up to indicate how the conversion costs can be met, and whether the projected income is sufficient to manage the premises and repay any loan taken out to bridge a likely gap in funding the capital costs.

4 PROGRESS – LAND ADJACENT TO LAWRENCES FACTORY ONLY

4.1 A feasibility study has been carried out to establish whether there is scope to develop the land adjacent to the factory building for housing whilst retaining the factory building and the residents' parking off New Street.

4.2 The initial conclusions are that it is possible to develop the site to provide a supported housing complex comprising a sheltered housing scheme, extra care housing and hospital move-on accommodation. Such a scheme could make use of the existing cottages on the Harborough Rd frontage and has the potential to meet a range of local housing and support needs.

4.3 The main challenge in bringing such a scheme to fruition would be in securing revenue funding for the supported housing complex over the long term. In recent months, the Government has reviewed arrangements for funding supported housing and consulted housing providers on their initial proposals. As housing providers have generally been critical of the proposals, the Government was looking again at its proposals with a view to publishing fresh proposals in a green paper. However, with the recent General Election, the timescale for publishing the green paper has slipped and we are awaiting details of a new timetable from the Government.

4.4 What is certain, however, is that there needs to be greater clarity about the future arrangements for funding supported housing. Until this happens, many housing providers across the country have decided not to proceed with new

BOROUGH OF KETTERING

Committee	EXECUTIVE	Item 11	Page 3 of 5
-----------	------------------	------------	----------------

supported housing developments. Similarly, with the Lawrence's site, the long term viability of a supported housing scheme will need to be evaluated in the light of the Government's new funding arrangements before any decision to proceed can be made.

5. **POLICY IMPLICATIONS**

- 5.1 Should this proposed scheme proceed, a site that has been derelict for some considerable time would be redeveloped in to both a community resource and specialist housing. The site lies on the fringe of Desborough's main retail streets, and was recognised through now lapsed policy as a new shopping/commercial site within the established shopping area of Desborough.
- 5.2 Planning policies relevant in this instance can be found in the North Northamptonshire Joint Core Strategy as Policy 11 (The Network of Urban and Rural Areas) and Policy 12 (Town Centres and Town Centre Uses). Policy 12 states that Market Towns, of which Desborough is one, will provide a strong service role for their local communities and surrounding rural areas. Policy 12 supports the vitality and viability of town centres, promoting a vibrant mix of retail, employment, leisure and cultural facilities. The potential mix of facilities at the site will contribute to both these policies being realised.
- 5.3 A further set of planning policies are being prepared through the Kettering Borough Site Specific Part 2 Local Plan, and the Desborough Neighbourhood Plan. These however, are still emerging, and not sufficiently advanced to give any weight in guiding development for the site.

6. **CONSULTATION AND CUSTOMER IMPACT**

- 6.1 As part of the Heritage Lottery Bid requirements DCDT have undertaken local consultation with regard to the future use of the factory building and the local market need for both community and employment uses. This has fed into the original feasibility study and will form an important part of any future business plan that will be required for additional financing.
- 6.2 Any decision to move forward with a proposal for specialist housing development on the site will be subject to the normal requirements for any planning consultation.

7. **FINANCE and HR RESOURCE IMPLICATIONS**

- 7.1 There are no HR implications.
- 7.2 It is envisaged that the former factory could be transferred to any interested party on a long term lease for a nominal rent.

BOROUGH OF KETTERING

Committee	EXECUTIVE	Item 11	Page 4 of 5
-----------	------------------	------------	----------------

7.3 The remaining proposal for the finance for the rest of the site, as outlined in Section 4 above, would be appraised and modelled upon the confirmation from government of its guidance on revenue funding of supported housing.

8. LEGAL IMPLICATIONS

8.1 Should any interested parties want to take on the lease for the Lawrences factory, then under S123 of the Local Government Act 1972 the Council has an obligation to achieve the best consideration reasonably obtainable when land is sold or leased unless the Secretary of State consents to the disposal. The proposal to lease the Lawrences site at a nominal rent would most likely be classed as a lease at an undervalue.

8.2. It is recognised that there are circumstances where it would be appropriate for a local authority to sell or lease land at an undervalue. Under the Local Government Act 1972: General Disposal Consent 2003 the Council may dispose of land at an undervalue without specific consent. The criteria are as follows:

- a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident in its area:
 - i) the promotion or improvement of economic well-being
 - ii) the promotion or improvement of social well-being
 - iii) the promotion or improvement of environmental well-being; and:
- b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000.

8.3. The Government guidance in Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained, makes clear that, whilst disposals at an undervalue are permitted, the Council must remain aware of the need to fulfil its fiduciary duty in a way that is accountable to local people. When considering such a disposal the Council should ensure that it complies with normal and prudent commercial practices including obtaining the view of a professionally qualified valuer as to the likely amount of the undervalue.

8.4. The Executive must be satisfied that any proposed transfer meets the criteria set out in the Consent and is the most beneficial and prudent option for the area.

BOROUGH OF KETTERING

Committee	EXECUTIVE	Item 11	Page 5 of 5
-----------	------------------	------------	----------------

9. RECOMMENDATION

- a) Agree, in principle, to begin discussions with DCDT and/or Desborough Town Council regarding the disposal of the factory building on a long term lease at a nominal rent subject to provision of a business plan which incorporates proposals to convert and manage the building and independently raise the necessary funds to do so.
- b) Continue to develop a proposal to redevelop the rest of the site for specialist housing provision and undertaking the necessary negotiations with partners, as well as the necessary consultation with local stakeholders, so that the Council would be in a position to sign off the proposal should the necessary government funding support be forthcoming.

Background Papers:

None

Previous Reports/Minutes:

16.3.11 (Min No. 10.EX.99)
13.12.11 (Exempt)
10.9.14 (14.EX.27)
18.3.15 (14.EX.94)