

**Cheltenham Borough Council
Cabinet – 10 November 2015
Cakebridge Place Proposal**

Accountable member	Peter Jeffries Cabinet Member Housing
Accountable officer	David Roberts Head of Property and Asset Management
Ward(s) affected	Oakley Ward
Key/Significant Decision	Yes
Executive summary	<p>Following approval by Cabinet on 15 July 2014 to acquire three properties on Cakebridge Place, CBC now owns all 12 bungalows on the site all of which are beyond economic refurbishment. The site has long been identified as a redevelopment site, although initial flooding concerns led to an approach to the football club regarding a land swap to allow residential development off Whaddon Road. This opportunity for offsite provision also supports a more holistic view of the Council's property assets in the immediate locality</p> <p>The flood risk of Cakebridge Place has now been re-designated to a lower flood risk thus enabling residential redevelopment of up to 21 new units on the site.</p> <p>This means that CBC now has two options available:</p> <ol style="list-style-type: none"> 1. Develop on the Whaddon Road site following a land swap with the football club, or 2. Develop on the existing Cakebridge Place site <p>The Whaddon Road development option would be more expensive due to creating a car park on the Cakebridge Place site to serve the football club. With this option 5 fewer units will be delivered (16), but would bring environmental benefits, improve commercial opportunities to the football club and potentially enhance CBC's longer term value of the football club site.</p>
<u>Resolution 1:</u>	<p>Cabinet Resolves that:</p> <ol style="list-style-type: none"> 1. The "Cakebridge Place" option set out in paragraph 1.7.1 of the Report be adopted and that Cakebridge Place be cleared 2. If necessary to enable the development to take place an application is made to the appropriate authority to stop up Cakebridge Place in whole or part 3. That the Right to Buy receipts be used as far as possible to fund the project

Resolution 2:

Cabinet Resolves that:

- 1. The “Whaddon Road ” option set out in paragraph 1.7.2 of the Report be adopted and that appropriate steps be taken to clear and redevelop both the Cakebridge Place and the Whaddon Road sites to reflect the proposed development, and making an application to the appropriate authority to stop up Cakebridge Place in whole or part**
- 2. The Head of Property and Asset Management (in consultation with the section 151 Officer and the Borough Solicitor) be authorised to proceed with negotiations with Cheltenham Town Football Club to enable the land shown in Plan B to return to the Council’s possession and for the land shown in Plan A to be included within the area leased to the Club substantially upon the terms (including expiry) of the existing lease and such other terms as the Head of Property and Asset Management deems necessary or advisable to protect the Council’s interests**
- 3. That the Borough Solicitor be authorised to conclude such documents as she deems appropriate to reflect the terms negotiated under paragraph 2 of this Resolution, whether by surrender of part and lease of substitute land, or surrender of the whole and grant of a new lease of the varied area**
- 4. At the relevant time, the land returned to the Council’s possession under resolution 2 above be appropriated to Housing (HRA) land**
- 5. That the Right to Buy receipts be used as far as possible to fund the project**

Financial implications

As detailed within the report. The proposed recommendation does result in a higher cost per unit, mainly due to the creating of a car park on the Cakebridge Place site to serve the football club. However, the development off Whaddon Road not only provides new housing, but also the following benefits namely; potential new commercial opportunities for the club, leading to additional employment, environmental improvements and potential increase in long term land value of the football club site. A development feasibility study has not been undertaken on the site but indications are that there could be an improvement in the value of the site by circa £750,000

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Legal implications	<p>The site at Cakebridge Place is HRA land and disposals are therefore governed by section 32 of the Housing Act 1985. The Council has power to lease (all or) part of the land to a third party by virtue of paragraph A3.2 of the General Housing Consents 2013, made under section 32.</p> <p>In terms of legal documentation, the proposed land swap is the more complicated and therefore likely to be the more time consuming. The land proposed to be surrendered by the Club will have to be appropriated to Housing (HRA) purposes</p> <p>Contact officer: Rose.gemmell@tewkesbury.gov.uk 01684 272014</p>
HR implications (including learning and organisational development)	<p>There are no HR implications</p> <p>Contact officer: Julie.McCarthy@cheltenham.gov.uk 01242 264355</p>
Key risks	
Corporate and community plan Implications	<p>Both options provide new housing. The Whaddon Road option brings potential additional commercial and land value benefits</p>
Environmental and climate change implications	<p>The Whaddon Road option removes the risk of the residential units flooding and will also remove match day traffic from the narrower Whaddon Road as vehicular traffic to the club will be off the much wider Prestbury Road, which will make it much easier for supporters to access and get away from the ground.</p>
Property/Asset Implications	<p>As set out in the report.</p> <p>Contact officer: David.Roberts@cheltenham.gov.uk</p>

- 1.
1. **Background**
 - 1.1 Cakebridge Place currently consists of 12 Tarran bungalows 9 have been boarded up for a number of years and CBC has recently acquired the 3 bungalows that were in private ownership and so now owns the whole site.
 - 1.2 The bungalows are beyond economic refurbishment and the site has been identified for redevelopment and incorporated into an agreed regeneration programme.
 - 1.3 A Cabinet report in October 2012 authorised CBH to progress contractual negotiations with Lovell but due to their concerns that the majority of the site was within a recognised flooding zone and the impact this had on viability Lovell withdrew from the site.
 - 1.4 As a consequence CBH and CBC jointly approached Cheltenham Town Football Club to explore a small land swap as indicated on Plan A which would move the development away from Wymans Brook whilst helping fulfil a long held ambition of the football club to enable an extension to the west stand
 - 1.5 Out of these discussions and concerns about building in a flood zone an additional option was tabled which would involve a larger land swap as shown in Plan B, with the new housing being

provided on what is currently part of the football clubs car park with access being off Whaddon Road, and car parking to the club off Prestbury Road.

1.6 Further specialist commissioned work into the flood risk assessment has resulted in the Cakebridge Place site being re-designated at a lower flood risk, therefore making it viable for residential redevelopment.

1.7 The re-designation of Cakebridge Place at a lower flood risk now presents options which need careful consideration, namely:-

1.7.1 Redevelop Cakebridge Place

1.7.1.1 The clearance of the existing bungalows and redevelopment of Cakebridge Place will provide the largest number of new affordable homes from the options being considered with the potential for up to 21 new units.

1.7.1.2 It is the cheaper of the two options in terms of build cost (£127,194 per unit for Cakebridge Place compared to £159,559 per unit for the 16 units off Whaddon Road) as there would be no need to reconstruct Cakebridge Place as a car park to serve the football club.

1.7.1.3 Developing Cakebridge Place is the easiest option to pursue as the site is already residential use

1.7.1.4 The development of 21 units on the site uses a larger proportion of the right to buy receipts thereby reducing the amount of potential right to buy monies that may have to be handed back to central government.

1.7.1.5 Without the Cakebridge Place development there will need to be an alternative approach to use the right to buy receipts which will be the subject of a separate report in November.

1.7.2 Develop Whaddon Road

1.7.2.1 This option would produce 16 units 5 less than the Cakebridge Place Option.

1.7.2.2 It is a more costly option as a carpark will need to be provided on the Cakebridge Place site. It is estimated that this will add approximately £350,000 to the total scheme costs, although there will be further dialogue with the football club to manage their expectations with the aim of reducing this high level estimated cost.

1.7.2.3 The alternative development off Whaddon Road will remove any risk of the new units flooding.

1.7.2.4 It removes the risk of a rights of light challenge to an extension to the west stand which the football would like to build at a future date.

1.7.2.5 Vehicular access to the football club for both car and coach traffic will then be directly off Prestbury Road which environmentally is more beneficial than using the narrower Whaddon Road, and provides the opportunity to more easily segregate travelling supporters from home fans.

1.7.2.6 Developing Whaddon Road would provide the football club with the opportunity to explore potential beneficial commercial activities, which are more difficult with the current arrangement, which in turn could lead to an increase in employment as well as safe guarding local leisure provision.

1.7.2.7 Should the football club relocate then the potential future redevelopment of the stadium

site would be better served off Prestbury Road as this will have greater marketability and therefore impact on land value.

2. Reasons for recommendations

- 2.1 The Head of Property and Asset Management recommends the Whaddon Road option and the proposed land swap with the football club. This enables a more holistic view to be taken of the Councils assets. The development off Whaddon Road not only provides new housing, but also the following benefits namely:- potential new commercial opportunities for the club, leading to additional employment, environmental improvements and potential increase in long term land value of the football club site, as access off Prestbury Road will improve the marketability of the site, therefore developers would pay a higher value. A development feasibility study has not been undertaken on the site but indications are that there would be an improvement in the value of the site by circa £750,000.

3. Alternative options

- 3.1 Do nothing, which is not acceptable.
- 3.2 Proceed with the smaller land swap which would enable the proposed development on Cakebridge Place to be moved reducing the flooding impact, but would not reduce the risk of a right of light claim as and when the west stand to the football club is extended or realise the other benefits of the Whaddon Road option.

4. Consultation and feedback

- 4.1 Cabinet Member for Housing and Cabinet Member for Finance

5. Performance management – monitoring and review

Report author	Contact officer: david.roberts@cheltenham.gov.uk 01242 264151
Appendices	1. Risk Assessment 2. Plan A Cakebridge Place Site 3. Plan B Whaddon Road Site
Background information	1. See attached copy of the positioning paper

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If the Cakebridge Place option is implemented then neither the commercial opportunities to the club, nor the environmental and land value benefits will be realised.	DLR	21/Oct/2015	4	3	12	Accept	Proceed with Whaddon Road option.	Dec 2015	DLR	