
Report to
Cabinet

18 October 2005

Report of

Directors of City Development, Legal and Democratic Services & Finance and ICT.

Title

Swanswell Initiative – Land Disposal to City College (St Michaels Ward)

1 Purpose of the Report

To advise of the disposal of city council land to City College Coventry ("the College") to enable them to develop a new flagship college in the Swanswell Initiative area, and to note that authority is sought in the next report on your Agenda for the acquisition of additional adjacent properties required for the same development.

2 Recommendations

The Cabinet is asked to refer the matter for consideration at full Council on 1st November 2005 with the following recommendations.

Full Council are asked to note:

- 2.1 The proposals for the development of the College and the intended disposal of the land shown edged black on the attached plan to the College on the terms detailed in the report on the private part of your Agenda.
- 2.2 That authority to purchase properties and to make a Compulsory Purchase Order to assemble the College development site is sought in the following report on your Agenda today.
- 2.3 That the location of the proposed Multi-Storey Car Park required to support Phase 2 of the College development necessitates the acquisition of property on part of the Castle Place Industrial Estate, to ensure that the Swanswell Masterplan design principles are met.

3 Information/Background

- 3.1 On 17th August last year, Cabinet approved the Draft Swanswell Initiative Masterplan document as a basis for ongoing public consultation, and reports back by officers. As part of the Initiative Cabinet also approved, in principle, its commitment to support and facilitate a new college, a key component of the proposed new Learning Quarter.
- 3.2 The Swanswell Initiative has the backing of the major landowners, partners and developers within the Masterplan area. The Stakeholders are signed up and committed to working together and with local people to achieve the identified priorities for regeneration of the area.
- 3.3 At its meeting on the 15th February Cabinet approved the acquisition of land (from Whitefriars Housing Group) to enable the delivery of the Learning Quarter. The purchase by the Council was funded by Advantage West Midlands ("AWM") at that time. Cabinet were also briefed that the Director of City Development would report back on the Heads of Terms for the subsequent disposal of the majority of the acquired site to the College. The estimated costs of the acquisition and disposal were built into the 2004/5 PPR.
- 3.4 Since that time detailed negotiations have been continuing to the point now where:-
- the College is clear as to the precise area of land it requires.
 - the College have conditionally disposed of its present three sites in Coventry to part-fund the new development.
 - the College have conditionally secured Learning Skills Council (LSC) funding for the project.
 - the College have secured detailed planning permission for Phase I; and have submitted an outline planning application for Phase 2.
 - Heads of Terms have been provisionally agreed for the disposal of the necessary Council land to the College.
 - It is also recognised that additional private property is required for the new development, that negotiations to purchase these by private treaty have commenced, and that a back-up Compulsory Purchase Order ("CPO") needs to be put in place and progressed. **Note:** This CPO is dealt with by the next report on the Public part of your agenda today.
- 3.5 The College's funding of their development is complex, as they are disposing of their three existing sites in Coventry (the Butts, Tile Hill and Maxwell Annexe) to part-fund the development. Their other funding is made up by the LSC, and a commercial bank loan. The College will be the first major development for the Swanswell Initiative, and the College will be committing itself prior to the adoption of (and therefore formal commitment to) the Masterplan as a Supplementary Planning Document and without the backing of a confirmed CPO. Whilst this shows belief in and commitment to the principles of the Swanswell Initiative on the part of the College, it also gives rise to difficulties for them in finally securing the funding they require, as there can be no guarantee at this time, that their full development site can be assembled.
- 3.6 The College has to programme their new development to tie in with the urgent (and time-limited) market requirements of the three parties acquiring their other three sites. They also have to have the new College open before they can give possession of their current sites to these other parties. The new College will, by necessity, be built in two phases. Whilst there is clarity for Phase 1 (i.e. detailed planning consent and funding approved); the details and needs of Phase 2 have only recently been clarified. This, together with the site

assembly and funding complications referred to in 3.5 above, represents considerable risk for the College and for the Council in progressing the CPO when there is no guarantee that the College will proceed with Phase 2.

3.7 The College programme requires the following:-

- | | | |
|------|--|-----------------|
| (i) | <u>Phase 1:</u>
Enabling Works to start | December 2005 |
| | Completion & Opening | September 2007 |
| (ii) | <u>Phase 2:</u>
Works to start | February 2007 |
| | Completion & Opening | September 2008. |

3.8 The next key date for the College is 7th December 2005, when their Governors will decide whether to commit to the project and proceed. The College cannot proceed with Phase 1 until Phase 2 has been given final LSC approval in November. Whilst they will be considering many areas of project risk in this key decision, they need confirmation that the Council will:-

- (i) Agree to the disposal to the College of the Council land required for the whole development, including that acquired as a result of (ii) below;
- (ii) Take all necessary action to purchase by agreement (or by way of CPO) additional adjoining land required for the scheme;
- (iii) Start formal procedures for progressing a back-up CPO for (ii).

These elements are covered in detail in para 4 below.

4 Proposal and Other Option(s) to be Considered

4.1 The new College is proposed to be located on land in the current Masterplan designated for the college elements of the Learning Quarter. The College wishes to develop (lease land, construct, own and operate) a single College of 27,096 m² (291,660 sq ft) consisting broadly of the following :

- 14,637m² Advanced Construction & Technology Centre (ACTC) to be built as Phase 1
- Phase 2 comprising a 12,459m² General FE College building including a Performing Arts facility/300 seat Community Theatre and a sports facility.
- The form of the development will accord with the design principles in the Swanswell Masterplan in relation to scale, massing, active street frontages and associated public spaces. Detailed planning permission for Phase 1 was granted on 21st July 2005 subject to a S106 agreement being completed, and an outline application for Phase 2 was submitted on 20th September 2005.
- The ACTC will house Construction, General Engineering, Vehicle Engineering including Public Service Vehicles, Telecommunications, Computing, Music and Multi-Media, and a Construction Partnership Centre. The Phase 2 building will contain Humanities, English for Speakers of Other Languages, Performing Arts, Fashion, Art and Design, Graphic Design, Students with Learning Difficulties and Disabilities, Hair and Beauty, Science, Business and Management, Health, Care & Early Years.

- A small Library, Learning Resources Centre and Student Services provision will be sited in the ACTC, but some of these facilities will be transferred to and provided in the main Phase 2 building when that is completed. The vacated spaces will be designed in such a way so as to be converted into teaching and learning spaces thus accommodating some of the planned growth in the future.
 - Staff Car parking for Phase 1 will be satisfied by the use of the existing 90 space surface level car on the east side of Bath Street. Phase 2 will require additional College and public car spaces, and this can only be accommodated by building a multi-storey car park on this site and part of the adjoining land, currently occupied by industrial units.
 - The College is planning for the ACTC (Phase 1) to be operational by September 2007 and for the Phase 2 building to be operational by September 2008.
 - Phase 1 of the development requires land currently occupied by the Church Hall on Queen Street and the Swanswell Medical Centre and car park on Swanswell Street.
 - Phase 2 will be built on land currently occupied by 2 three-storey blocks of flats comprising 12 separate units, known as Cygnet Court and Orwell Court in Swanswell Street. The Multi-Storey car park requires acquisition of land currently occupied by 2 industrial units, one at 32 Adelaide Street, and Unit 5 at Castle Place Industrial Estate, Harnall Lane East.
- 4.2 A summary of the provisionally agreed Heads of Terms is detailed in the private report. The deal is based around the Council granting a 150 year lease to the College, with them having an obligation to build the agreed development (in two phases) and to an agreed programme. The Council is required to purchase additional properties to enable the development to proceed as currently intended, and to include these in the overall disposal.
- 4.3 The additional properties constitute the City of Coventry (Swanswell No 1) Compulsory Purchase Order 2005. A report requesting approval to make the Order is included in the Public part of your Agenda today. Subject to that approval, and in accordance with government circular 06/2004, negotiations to acquire the outstanding properties and interests will continue with the individual owners and occupiers.
- 4.4 The District Valuer has assessed the value of the land for disposal for Education purposes. The majority of the premium will be passed to AWM as they funded the Council's acquisition of the land from Whitefriars. That part of the premium that relates to properties bought by the Council in advance of, or as part of the CPO, will be retained by the Council as a capital receipt.
- 4.5 The College's development proposals require the provision of car parking. The existing 90 space surface car park on Bath Street (currently used by Whitefriars' tenants) together with a residents' car parking scheme initially funded by the College, will satisfy the requirements of Phase 1. The car park will be included in the disposal to the College. Phase 2 will require additional College and public spaces, and this can only be accommodated by building a Multi-Storey Car Park ("MSCP"). This is proposed to be located on part of the existing surface car park and on part of the Castle Place Industrial Estate between Bath Street and Adelaide Street. The industrial units on this site are therefore included in the CPO. The MSCP is to be jointly funded by the Council and the College. There are issues to resolve

on the design, location and street presence of the MSCP to ensure that the principles of the Swanswell Masterplan are met, and the funding arrangements will be determined as these issues are clarified and agreed. These details, together with the provisional arrangements for procurement and future management of the MSCP will be brought back to a future Cabinet meeting for approval. There will also be a loss of employment use on this site, which will need to be resolved through the Phase 2 planning application process. The current intention is to address this issue by including office accommodation on two elevations of the MSCP.

- 4.6 The financial implications of the disposal of land for the College's development, the risks in the College not being able to secure funding for Phase 2, and of the Council not obtaining a confirmed CPO, are detailed in the private report.

5 Other specific implications

5.1

	Implications (See below)	No Implications
Area Co-ordination		√
Best Value		√
Children and Young People	√	
Comparable Benchmark Data		√
Corporate Parenting		√
Coventry Community Plan	√	
Crime and Disorder	√	
Equal Opportunities	√	
Finance	√	
Health and Safety		√
Human Resources		√
Human Rights Act		√
Impact on Partner Organisations		√
Information and Communications Technology		√
Legal Implications	√	
Property Implications	√	
Race Equality Scheme		√
Risk Management	√	
Sustainable Development	√	
Trade Union Consultation		√
Voluntary Sector – The Coventry Compact		√

6 Children & Young People

- 6.1 The new College is being designed to provide education facilities for young people (post secondary school). It will sit alongside a proposed new school in the Learning Quarter in order that both facilities can share and integrate facilities, for the benefit of all students.

7 Coventry Community Plan

- 7.1 The Swanswell Initiative (and its flagship Learning Quarter) is an identified key aim of the Coventry Community Plan.

8 Crime and Disorder

- 8.1 The Police advisors have worked with the College's design team, with the aim of designing out crime in the new development.

9 Equal Opportunities

- 9.1 The City College's ethos is to open up education to all. They have a particular commitment to attracting new students from disadvantaged areas and from new sections of the communities within them. This is one of the key reasons that they are relocating to the Swanswell area.

10 Finance

- 10.1 AWM funded the Council's acquisition of the former Whitefriars land that was purchased in March. As a condition of the AWM Funding Agreement AWM will automatically recover any capital receipts subsequently derived from the disposal of the former Whitefriars land.
- 10.2 The estimated cost of acquiring the additional properties is identified in the private report. Estimates for these acquisitions were built into the 2004/5 PPR and are considered to be adequate. However, it should be noted that these estimates have been prepared without any detailed knowledge of the properties and businesses to be bought/relocated. The eventual acquisition costs will be the settlement figures negotiated in accordance with the compensation code, for every compensatable interest.
- 10.3 The land derived from the future acquisitions will be sold on to the College, producing a capital receipt, which will be retained by the Council.
- 10.4 As referred to in para 4.5 above, the procurement and funding arrangements for the MSCP are yet to be determined and will be the subject of a future Cabinet report when the design and management arrangements have been provisionally agreed with the College.

11 Legal Implications

- 11.1 The legal structure of the documentation between the Council and the College is complex because neither party is in a position to guarantee either the outcome of the CPO or the availability of funding to the College.
- 11.2 The Council is required to seek AWM approval to any disposal. This has been sought and officers will report verbally if this has not been obtained by today.

12 Property Implications

- 12.1 The terms of the proposed disposal to City College are covered in the body of the private report. The proposal to make the City of Coventry (Swanswell No. 1) Compulsory Purchase Order 2005 is the subject of the next report in the public part of your Agenda today.
- 12.2 The implications of the acquisition of the Whitefriars land and the disposal to the College are also covered in the private report.

13 Risk Management

The risks identified in the Report are :

- 13.1 The College may not secure final funding for Phase 2 in which case it will not proceed with Phase 1 at this time. Discussions will need to be held with the College to resolve the position.
- 13.2 The Council may not be able to secure a confirmed CPO. Site assembly cannot then be guaranteed to the College and the development will not be able to proceed as intended. In the worst case, where there College does not proceed at all, the Council will still have a valuable development site, but the Learning Quarter element of the Swanswell Initiative will be severely compromised.

14 Sustainable Development

- 14.1 The scheme proposals are over a large area of brownfield land which would be regenerated, bringing environmental enhancement and improving the economic vitality of the area.
- 14.2 Sustainability through design, materials and management of the new complex is not only fundamental to the College's design team, but also a requirement of the LSC funding for this development.
- 14.3 The provision of a MSCP for the College and public may be viewed as a negative impact in terms of sustainable development, as it would appear to favour car transport as opposed to public transport in a city centre location. Opportunities will therefore be sought to reduce the overall impact of this structure to reflect the philosophy of the Swanswell Initiative, which strives towards the development of a sustainable neighbourhood.

15 Monitoring

- 15.1 This property disposal is being led and managed by Development Projects Section, City Development Directorate. The Swanswell Initiative Project is being led and managed by the Projects Champions Office, City Development Directorate.

16 Timescale and expected outcomes

- 16.1 If you approve this report, and the City College resolves its own project issues and internal and external approvals, Phase I should commence with enabling works in December this year and be completed by September 2007; Phase 2 to start in and February 07 and finish in September 2008.

	Yes	No
Key Decision	√	
Scrutiny Consideration (if yes, which Scrutiny meeting and date)		√
Council Consideration (if yes, date of Council meeting)	√ 1 st November 2005	

List of background papers

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Papers open to Public Inspection

Description of paper

Draft Swanswell Initiative Masterplans (July 2004; and latest March 2005 versions)

Location

CDD – D. Elliott (ext: 2639), & Council Web-Site for March 2005 version (see Swanswell Initiative homepage).