

DECISION OF THE CHIEF EXECUTIVE OFFICER/DIRECTOR OF CORPORATE SERVICES AND THE SECTION 151 OFFICER OF THE COUNCIL, AFTER CONSULTATION WITH THE EXECUTIVE MEMBER FOR HR, ASSET MANAGEMENT, CAPITAL PROGRAMME & TRANSFORMATION PROGRAMME AND THE CHAIRMAN OF THE COMMUNITY AND CORPORATE ORGANISATION POLICY AND SCRUTINY PANEL



**DECISION NO: CSD 131**

**SUBJECT: LIFTING OF RESTRICTIVE COVENANT FROM LAND AT SUNNYSIDE ROAD, WESTON SUPER MARE**

**BACKGROUND:**

The Council sold the land shown edged red on the attached plan in February 2000 to Regency Financial Holdings PLC subject to a restrictive covenant limiting the use of the land to financial and professional services, light industrial, general industrial and storage/distribution uses. The transfer also contained an overage arrangement whereby should the landowner obtain planning permission for any use other than the permitted uses the Council would be eligible for a payment equivalent to 60% of the difference between the value of the site for the alternative use and the value of the site for the permitted uses less any costs to obtain the said planning permission. The benefit of the overage arrangements runs for 21 years from the transfer date and, therefore, expires in February 2021 i.e. in 5 years' time. To date the site has remained undeveloped despite the importance of its location at the entrance into the town centre.

Since the original transfer of the site the Council has published the Prospectus for Change for the Town Centre and has commissioned a range of Town Centre Regeneration documents setting out the vision for the town. As part of this work the site has been identified as an important element for the delivery of new high quality residential development within the town centre and, as such, has been included within the town's newly designated Housing Zone.

The designation of the site as part of the Housing Zone brings an expectation that it should be possible to speed up and simplify the process of house building on brownfield land through locally led partnerships. The introduction of Housing Zone status represents an opportunity to break down some of the barriers that might hold back development. Housing Zones are an opportunity for local authorities to set out a vision for the transformation of large brownfield sites locally, and through the support government is offering, take the lead in realising that vision in partnership with public and private sector organisations.

One of the immediate benefits from the Housing Zone designation is that it opens the door to secure potential funding opportunities through the HCA. To date this has resulted in the

loan facility of up to £1.7m to fund the purchase of the Police Station/Magistrate Court including ancillary costs as well as capacity funding allocations nearly totalling a £1m. It has also led to the recent discussions for the HCA to purchase Locking Road Car Park from the Council and to acquire legal interests in other important sites in the town centre and its wider area.

HCA's ongoing involvement with developments in Weston-Super-Mare have also resulted in their offer to acquire the Sunnyside Road site which should be seen in the context of the Council's ambition to invest and grow the town in a sustained fashion and the government's commitment to support the ambition through granting Housing Zone status and directing enabling investment.

In order to proceed with the acquisition of the site the HCA need to reach urgent agreement with the Council for the release of the restrictive covenant and for payment of an overage figure in order that they might have certainty that when they acquire the site there will be no impediments on the title to prevent the introduction of residential uses.

The decision (and subsequent work to document and complete the release of covenant) is urgent because the HCA current funding stream is only available until the end of March 2016 with no certainty of it being available thereafter. Any decision must therefore be made and the subsequent work completed before the end of the month which does not allow time to complete the normal Executive Member delegated authority process.

Terms have been provisionally agreed with the HCA for the lifting of the restrictive covenant and release of the overage provisions for a one-off payment of £500,000. This figure reflects the uplift in value of the site for residential use whilst recognising that the Council's ability to demand an overage falls away in just 5 years' time.

**DECISION:**

1. That the Council consents to lift the existing restrictive covenants and release the overage arrangements for a payment of £500,000 as reported above

**Reasons:**

To facilitate the HCA's acquisition of the Sunnyside Road site

**Other Alternatives Considered:**

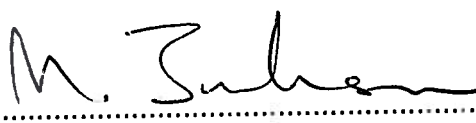
None

**Financial Implications:**

The Council will receive a one-off capital payment of £500,000 as an overage payment

**Implications for Future Years:**

None

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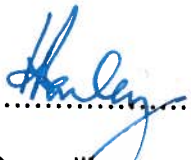
Chief Executive and Director of Corporate Services, North Somerset Council

Dated: 16/3/16 .....

Signed:  .....

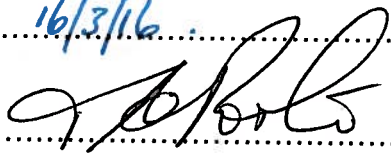
Section 151 Officer, North Somerset Council

Dated: 16/03/16 .....

Signed:  .....

Councillor  
EXECUTIVE MEMBER FOR HR, ASSET MANAGEMENT, CAPITAL  
PROGRAMME & TRANSFORMATION

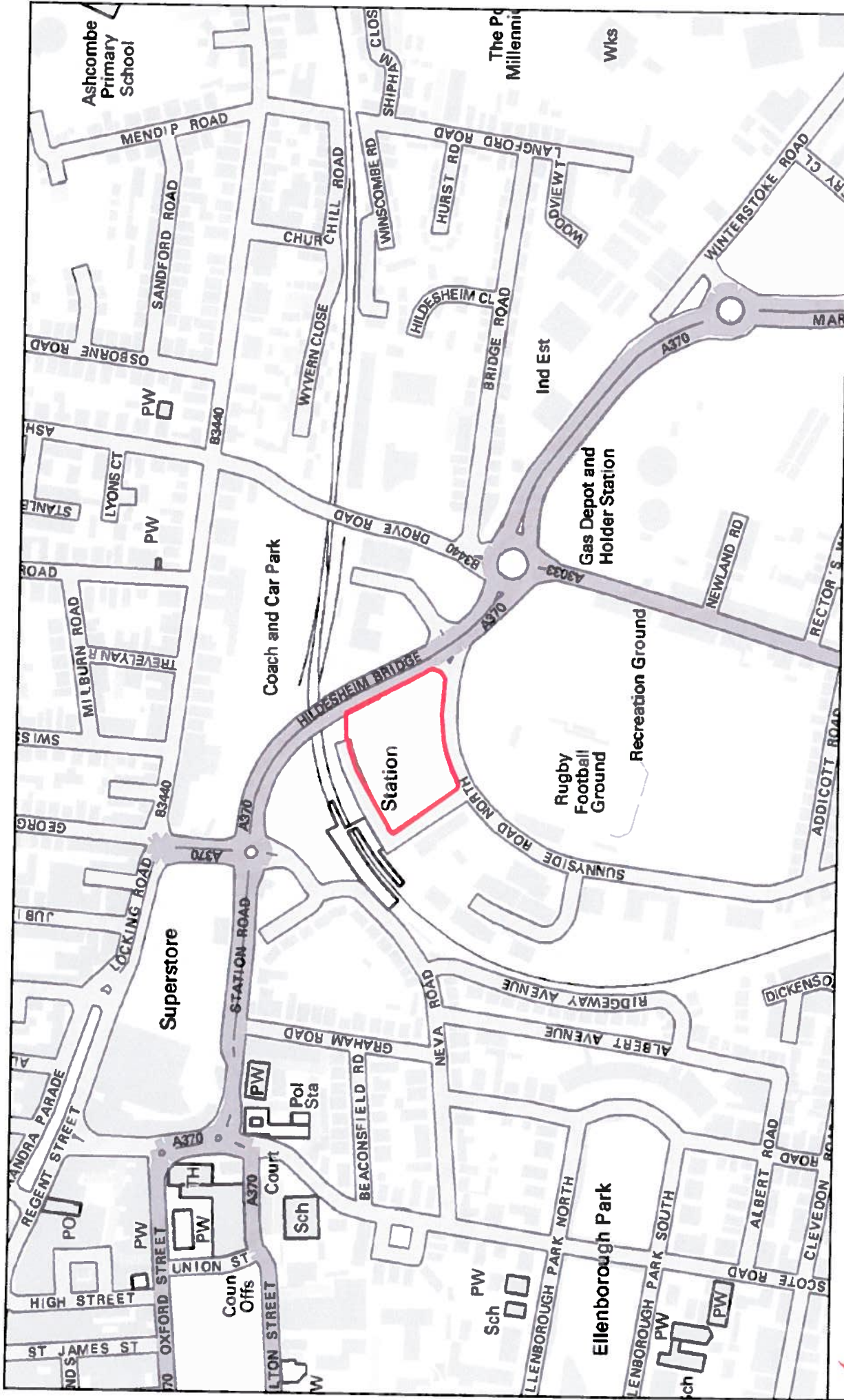
Dated: 16/3/16 .....

Signed:  .....

Councillor  
CHAIRMAN COMMUNITY AND CORPORATE ORGANISATION POLICY AND  
SCRUTINY PANEL

Dated: 17/3/2016 .....





Scale: 1:5000  
 Drawn by: Martin O'Neill  
 Date: 15 March 2016  
 Time: 11:24:35



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