

Report to: Cabinet

Date of Meeting: 7 February 2018

Public Document: Yes

Exemption: None

Review date for release None

Agenda item: 19

Subject: Port Royal Scoping Exercise

Purpose of report: The purpose of this report is to provide an update to members on the outcome of the Scoping Exercise that was undertaken in 2017 in relation to the Port Royal Site.

It describes the activities that were taken as part of the Scoping Exercise including the research of relevant issues undertaken by the external advisors; the public consultation exercise; the findings of their work and their recommendations for the next steps.

The report makes recommendations to members for a way forward that will lead to a positive outcome that can realistically be delivered.

Recommendation:

1. That members note the detailed research undertaken in the Scoping Exercise that has provided a comprehensive and thorough analysis, including financial viability assessment, of the complex issues related to future development within the Study Area.

2. That members note the analysis in this report and in particular the following elements:

- a. The risk of flood especially related to land outside of the area allocated within the Local Plan
- b. The lack of financial viability of development if on-site or off-sited affordable homes were included
- c. The existing covenant impacting upon parts of the potential development site

3. That members agree the following actions:

- a. Not to seek a comprehensive mixed use development of this site
- b. To take to market the vacant Drill Hall site with a view to securing an appropriate development proposition and capital receipt for the benefit of taxpayers of East Devon.

4. That members agree that the marketing exercise will be carried out in such a way as to allow commercial and non-commercial bids to come forward

Reason for recommendation:

To reflect the findings and analysis of the Scoping Exercise and seek a deliverable way forward toward the renewal of Port Royal in a meaningful timescale.

Officer: Richard Cohen,

Deputy Chief Executive, 01395 517535

Financial implications:

The financial details are outlined in the report. In the tender process it would be useful to consider the possibility of proposals which could return an annual income to the Council rather than just a one off capital receipt.

It is the Council's ongoing revenue budget gap that is the financial priority to address.

The report requests a supplementary estimate of £10,000 which will be met from an existing Reserves set aside for town regeneration.

Legal implications:

The report raises no direct legal implications. Clearly legal implications will arise as the project progresses and relevant advice will be given at the appropriate time.

Equalities impact: Low Impact

Risk: Low Risk

The site selected is not under covenant and is allocated within the Local Plan for mixed use. Its seafront location should be attractive for development for appropriate use.

Links to background information:

[Report to cabinet January 6 2016](#)

[Report to cabinet September 14 2016](#)

[Scoping Exercise Executive summary](#)

[Scoping Exercise report](#)

[Appendix 1 – Scoping report brief](#)

[Appendix 2 – Port Royal Study area](#)

[Appendix 3 – Local Plan Sidmouth proposals map](#)

[Appendix 4 – Area of focus](#)

[Appendix 5 – Consultation Boards](#)

[Appendix 6 - Site Viability](#)

[Background paper 1 - Understanding the project brief](#)

[Background paper 2 – Description of Study area](#)

[Background paper 3 – Planning Policy and Technical](#)

[Link to Council Plan:](#)

[Developing an Outstanding Local Economy](#)

[Developing an Outstanding Local Environment](#)

Report in full

1. Introduction

1.1 The area known as Port Royal lies to the east of Sidmouth town centre on the seafront. For many years now there has been a desire expressed by the local community and councils that the area requires improvement in terms of its use and appearance. Both Sidmouth Town Council and EDDC own land within the area, some of which is open to the public, some is unused and some is tenanted.

A plan of the area is shown within the Scoping Exercise report at appendix 2 attached.

1.2 Following earlier cabinet reports dated 6 January 2016 and 14 September 2016, it was established that the Council would work in partnership with Sidmouth town council to undertake a Scoping Exercise to ascertain what opportunities exist for the redevelopment within the eastern end of Sidmouth, referred to as Port Royal.

1.3 The two Councils established a Project Reference Group which comprised members of both the Town and District councils, along with representatives of key stakeholders in the community such as the Chamber of Commerce, Sid Vale Association, Sid Vale Neighbourhood Plan Team, and others. The external advisors were required to meet with the PRG on a couple of occasions throughout the Scoping Exercise to keep them informed of the stages of work being undertaken. The council is grateful for their constructively critical input and support throughout the process.

1.4 The Study Area covers an area of land that extends west to include the West Ham car park, south to take in the esplanade, east to the turning circle and north to the top of the Ham recreation ground.

It was not the intention of both councils that they wanted to consider all of the Study Area for redevelopment. Rather that they wanted the Scoping Exercise to identify which parts of it might be suitable for redevelopment, which for re-landscaping or reconfiguring and which might remain as it is.

1.5 The Scoping Exercise has now been concluded with the publication of the final report by the external advisors. This is attached at Appendix 1 with its associated Background Papers and appendices. An Executive Summary is included providing a helpful summary highlighting the report content and recommendations.

1.6 The Scoping Exercise report is structured to include the key information within the main body of the report but has a number of Background Papers that cover certain issues in more detail such as the planning and technical information, land ownership, and site viability.

2. The Process of the Scoping Exercise

2.1 The report sets out the process undertaken by the advisors. This included a desk exercise to review existing documentation including that compiled by local groups, research and analysis of planning and technical matters, analysis of land ownership information, meeting the existing tenants to gather relevant information on how the site is currently used, meeting with the Project Reference Group.

2.2 Following the gathering of the above data and intelligence, the study undertook analysis to understand what opportunities might be available for redevelopment. This is set out in Section 4 of the report.

The Study Area was divided up into a number of "Areas of Focus", for ease of analysis.

A key requirement of the Scoping Exercise was that consultation should be undertaken to enable the views of local residents and businesses to be captured and in turn, to be analysed and form part of the overall findings of the Scoping Exercise.

2.3 The public consultation took place in June 2017 with open events and opportunities to submit comments on-line and in writing.

The report explains in further detail how this process was undertaken including the description of the location, uses, opportunities, planning context and visualisation. Those taking part in the consultation exercise could do so by attending the event or viewing information on line and then providing their views by completing a questionnaire.

Details of the information boards for the consultation are in appendix 5.

2.4 248 questionnaires were received and the information was analysed and summarised.

In addition, information that had been obtained by the Sid Vale Neighbourhood Plan consultation process was analysed and a useful summary report was provided by the neighbourhood plan team to the advisors in order that it could be included in their report findings.

The key findings of both consultation events are set out in paragraph 5.2 of the Scoping Report.

3 Review and Analysis

3.1 The council welcomes the completion of the Scoping Exercise and has reviewed the report findings.

We very much appreciate the level of local interest and response directly and through the Neighbourhood Plan process. We recognise that this is an area that has for many years been the subject of local interest and a desire for change.

This is a detailed and thorough piece of work by our professional advisers providing a depth of analysis that has not been undertaken previously, including a financial viability assessment. It is therefore extremely useful to the council that this work has been completed and that the complexity of this site is understood.

This was very much an initial project and we made clear from the outset that for a limited budget of £10,000 we and the Town Council were scoping the opportunity in the knowledge that we could derive an initial, but not detailed understanding of ways forward for this area of Sidmouth. Equally important was the opportunity within this exercise to secure a better understanding of what the local community wanted to see and what the experts tell us are the key considerations for both councils.

3.2 What came through very clearly from the consultation activities of both the scoping exercise and the Neighbourhood plan, was that the community would like to see some development in the area that provides a food and drink offer such as a restaurant/café or bar.

What was also clear from consultation responses was the importance that people attached to the continuation of the Lifeboat station, sailing club and its associated clubs and community uses/activities. This also reflects respondents' views that water activities and maritime heritage should be respected.

Furthermore, the degree of support for any building of significant scale was restrained with a clear message that anything in excess of the Local Plan allocation for residential units would not be welcome.

3.3 During the timeframe of undertaking the Scoping Exercise, a separate petition was also received by both councils asking for consideration of an approach to Port Royal whereby the existing structures were preserved with a view to their retention and reuse.

3.4 The financial viability showed that a comprehensive redevelopment of the amalgamated site could only be financially viable at 4 storeys if the requirement for an affordable housing allocation on or off site was dropped. The risks associated with development costs could reduce this financial viability further. It was also the case that there was clearly a lack of support for a concept that showed a 5 storey development which in the judgement of the consultants was the only way to deliver a mixed use including Local Plan compliant housing numbers. It is therefore not considered viable to pursue the delivery of the amalgamated site at this time.

3.5 The messages that we have derived from the scoping study are that in planning terms, there is the possibility of delivering a significant new mixed use development on the Local Plan allocated site. However, there are unresolved uncertainties in relation to both that specific site and also the opportunity for a wider and more meaningful renewal of Port Royal at this moment in time.

With this knowledge in mind it is clear that this site is not a strategic priority for the council. However, it is a site of some sensitivity in Sidmouth and one that we believe we should seek some improvement on in an achievable timescale. Especially bearing in mind the many years of planning without deliver that Port Royal has been subjected to.

3.6 We are therefore faced with a choice of either seeking to develop nonetheless but with the likelihood of the following difficulties:

- An extensive timescale of planning, design and legal challenges against a backdrop of unresolved flood management for the area;

- Uncertain timescale for the outcome of the Beach Management Plan and financing and implementation of any recommendations

- The inability to deliver affordable housing as part of any viable development

- Disruption and uncertainty for existing users, neighbours and the community at large.

3.7 With the above in mind, it is still important to find ways to make progress in improving what is still recognised to be an area of Sidmouth that detracts from the town's otherwise attractive seafront. To this end, the redundant Drill Hall site remains a more straightforward and viable opportunity for redevelopment and reuse. To take this approach reflects the community's views through consultation that we look after the existing and important active and community uses and find a new future for the vacant Drill Hall site that could create the sort of restaurant, bar or similar offer that people clearly wish to see in this spectacular location.

3.8 The council is encouraged that the former Drill Hall site offers an opportunity to bring a solution forward in a reasonable timescale. To that end it is proposed to market the site with a view to encouraging financial bids to develop it as a restaurant/bar or similar function that will be a high quality

attraction and a credit to Sidmouth seafront.

To encourage both commercial and non-commercial interest (i.e. a community led bid or similar) the marketing period could be doubled to 6 months from the normal period.

Bearing in mind that the building remains unused and unattractive, we would not wish to extend beyond that period, not least to avoid any further deterioration on the site or allow market uncertainty to develop.

3.9 As a consequence of this focus on the Drill Hall, this does mean that the remaining uses in the amalgamated site would be retained. The continuation of uses such as the Sidmouth Lifeboat Station, Sailing Club and Gig Club is important and the council will want to work with these to secure their future.

4. Next Steps

4.1 Using the council's procurement process, commence an appropriate marketing exercise using professional expertise to market the vacant Drill Hall site for a period of 6 months.

4.2 In order to proceed with marketing the former Drill Hall site, there will be a limited cost to the Council. This will include covering the marketing and advertising costs incurred through a property agent. It is expected that the marketing will be undertaken on-line and through relevant professional journals and the cost would not exceed £10,000.

If and when terms are agreed with a purchaser, then the appropriate fee will be deducted from the sale price.

The fee is not expected to be greater than 2%.

The property agent will be identified through a tendering process.

4.3 The council will continue to work closely with the town council through the continued engagement of the Core Group of councillors as identified through the Scoping Exercise.

This will include their involvement in the selection process for a preferred developer.

Following the conclusion of the marketing and selection exercise, officers will report back to cabinet and full council with recommendations for a preferred development solution for the site.