

Report to:	EXECUTIVE CABINET
Date:	23 June 2021
Executive Member:	Councillor Oliver Ryan – Finance and Economic Growth
Reporting Officers:	Jayne Traverse – Director of Growth Gregg Stott – Assistant Director - Investment, Development and Housing.
Subject:	LOCK KEEPERS SITE, DROYLSDEN
Report Summary:	This report provides recommendations as to the future direction of travel to unlock the development potential of the Lock Keepers Site (The Site) in Droylsden town centre. The site forms an important part of the Droylsden Canalside Quarter development.
Recommendations:	<ol style="list-style-type: none"> 1. That the site be withdrawn from the Watkin Jones Development Agreement. 2. Negotiations are undertaken with Watkin Jones regarding the two parcels of land referred to at Appendix 1 to this report. 3. To formally declare the subject site surplus so that a future sale, including the library, which is shortly due to be demolished, can be considered in accordance with the Council's disposal policy.
Corporate Plan:	The proposed measures shall contribute to delivering corporate priorities – housing, economic growth and employment opportunities.
Policy Implications:	The development of Droylsden town centre is essential for a range of social and economic reasons in order to create a sustainable community and a new vibrant town centre. The recommendations of this report will assist with the delivery of this objective and will bring in new people, new spending power and new jobs.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>A Key Decision was approved on 25 February 2021 for the relocation of Droylsden Library and the declaration of the existing site as a surplus Council asset for disposal once the existing library has been demolished.</p> <p>Members should note that there is a £0.6m variation in the valuation of this site between Watkin Jones and an independent red book valuation as detailed in section 2.2 of the report.</p> <p>The Lock Keepers site is adjacent to the existing library and provides an enhanced development opportunity which is likely to be of interest to a wide range of potential development partners. It is envisaged that the withdrawal of the site from the development agreement will enable the Council to realise an improved capital receipt if disposed alongside the site of the current library.</p> <p>In addition it is noted that Watkin Jones own two small parcels of land adjoining the Marina which would be desirable, but not essential, to be joined to the aforementioned main development site. Watkin Jones have not landscaped these areas as required under the terms of the development agreement. The report recommends that following the removal of the Lock Keepers site from the development agreement, negotiations are undertaken with</p>

Watkins Jones to ensure that they fulfil their obligations to landscape these parcels of land or transfer the land at nil cost to the Council.

Members should receive an update at a later date on the estimated capital receipt that will be realised from this decision together with details of the future development options.

Legal Implications:
(Authorised by the
Borough Solicitor)

Due to the Developer not developing the land for commercial purposes, the Council has a number of options in respect of “withdrawing” the land from the Development Agreement:

1. It can write to the Developer stating that due to the land not be developed for the intended purpose by the intended date; and that the land no longer forms part of the Development Agreement;
2. It can formally seek to agree with the Developer that the land no longer forms part of the Development Agreement; or
3. It can wait until the deadline for delivery of the whole scheme has passed and then look to use the land.

The report writer has advised that the first option is the preferred route although the report does not set out clearly the risks and benefits and any consequences of each option.

Risk Management:

Reputational risk to the Council if there is not a successful delivery of The Site.

Access to Information:

Information relating to this report can be inspected by contacting the report writer, Damien Cutting – Economic Growth Lead, Development and Investment, by



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1. INTRODUCTION

- 1.1 The Council signed a Development Agreement ('Development Agreement') with Watkin Jones in 2005 to deliver a major regeneration scheme in Droylsden. Work has been progressed on this major mixed use scheme with site assembly, planning permissions, housing development and the completion of the marina and construction of all residential units in phases.
- 1.2 The Development Agreement includes the Lock Keepers site which is shown edged blue on the plan included in **Appendix 1**. The site remains undeveloped and is owned freehold by the Council (referred to as the Commercial Site in the Development Agreement). The site will fall away from the Development Agreement if, by the Longstop date of 10 June 2020, the Council do not agree a heads of terms for its transfer to Watkins Jones.

2. LOCK KEEPERS DEVELOPMENT SITE

- 2.1 The site occupies land of approximately 2 acres in a highly accessible prominent location fronting Manchester Road in close proximity to the Town centre and presents an attractive development opportunity for a high quality/density residential development scheme. The site is immediately adjacent to the existing library, which is shown edged brown on the plan included in **Appendix 1**. Following the (proposed) relocation of the library, the two sites could be combined which would present an enhanced development opportunity, which is likely to be of interest to a wide range of potential development partners.
- 2.2 The site was planned for commercial (not residential) development under the Development Agreement, however despite extensive marketing no suitable commercial use has been identified for the site. Negotiations have taken place with Watkins Jones regarding the potential for residential development on the site. Watkins Jones have offered to pay £400,000 for the site based on a residential layout. The Council commissioned an independent Red Book valuation against this scheme, which indicates a headline value of £1m for the land.
- 2.3 Road access to the site is owned freehold by Watkins Jones and is subject to a S278 Agreement. The Road was constructed several years ago and although it has not yet been formally adopted by the Council, rights of access were reserved at the time of the transfer. Watkins Jones own two small parcels of land adjoining the Marina (labelled '6' and '7' on the plan attached in Appendix 1), which would be desirable, but not essential, to be joined to the main development site. Despite obligations in the Development Agreement, Watkins Jones have not landscaped these areas and it is recommended that following the removal of the Lock Keepers site from the Development Agreement that negotiations are undertaken with Watkins Jones to ensure they fulfil their obligations to landscape or transfer the land at nil cost to the Council.

3. CONCLUSION

- 3.1 That Lock Keepers development site be withdrawn from the Watkin Jones (Watkins Jones) Development Agreement (Development Agreement) and following withdrawal that negotiations are undertaken with Watkins Jones regarding two small parcels of land adjoining the site that would be advantageous (but not essential) for the Council to have control of. The site is then declared surplus along with the (soon to be) demolished library, thus allowing the Council to consider a future sale in accordance with its disposals policy. A Development Brief could be prepared for the site in order to help realise any specific development outputs.

4. RECOMMENDATIONS

4.1 As set out at the front of the report.