

REPORT OF CABINET

(Meeting held on 4 November 2015)

1. ST JOHN'S STREET CAR PARK, HYTHE: REDEVELOPMENT OPPORTUNITY AND DISPOSAL (REPORT ITEM 4) (MINUTE NO. 31)

The Cabinet is recommending that the St John's Street, Hythe car park is declared surplus to operational requirements and is disposed of to the operator of a supermarket.

There is a long-standing aspiration in Hythe to have an additional food retailer in the village. An approach from a supermarket operator to purchase the St John's Street car park prompted this Council to look more closely at this possibility. Although that supermarket operator subsequently withdrew, a Retail Impact Assessment commissioned by the Council in June 2015 concluded that an additional food retailer would have a positive effect on the village centre, with the majority of retail and service businesses benefitting as there would be more linked purpose visits to the village centre as a whole.

The car park alone is not large enough for a supermarket and associated parking. The proposed disposal is therefore one element of a package that involves part of an adjoining site, currently in the ownership of PC Builders. They propose to dispose of part of their site for the supermarket and part for housing; allowing them to relocate their business. Planning consent will have to be obtained for all elements before the scheme can proceed. This entails some risk to all parties, but the main risk falls on the developers who will incur costs to progress the proposal.

A marketing exercise has established interest from 2 supermarket operators. The terms of their offers, together with advice from independent consultants, has established that the offer from Lidl satisfies the duty on this Council, under S123 of the Local Government Act 1972, to achieve the best price reasonably obtainable for a land disposal. Because the development of the Council's land is dependent on the inclusion of part of the PC Builders' site, it is normal practice for part of the uplift in the value of this Council's land to be paid to PC Builders. Following negotiations with all parties it is proposed that the net sum received by this Council for the disposal of the car park will be £1,947,500.

The loss of car parking for the village has been considered. At present there is an over-provision of car parking spaces. This proposal would reduce the total number of spaces available for public use from 511 spaces to 451 spaces, with 100 of those spaces being under the control of the new supermarket. This should however still be sufficient, based on recent survey work of the occupancy rates across the 3 car parks in the village. The highest recorded occupancy was 399 spaces on a Tuesday morning.

The Parish Council has undertaken a public consultation on the proposal and the outcome was reported to the meeting. The majority of the respondents support the disposal of the car park for the construction of a supermarket by a discount food retailer. In the light of the comments received the parish council broadly support the proposal but have asked that the implementation should be delayed to allow a community impact assessment to be carried out, taking account of the loss of the car parking spaces and identifying the mitigation measures that may be necessary.

Ward councillors in Hythe, and also in Fawley where PC Builders who own the rest of the Hythe site propose to relocate, support the proposal, and are mindful that there should be an overall increase in employment in both areas.

The Cabinet have looked very carefully at the proposal and the outcome of the consultation exercise. As this proposal is in the earliest stages, many of the concerns that are being raised will, properly, be looked at through the subsequent planning application processes. The Cabinet do not believe that delaying the project to undertake some of this work now, before agreeing to the principle of disposal, can be justified. Any delay carries with it the risk that the supermarket operator could withdraw; or the adjoining landowner proceed with an alternative scheme for their land, meaning this opportunity could be lost entirely. The Cabinet is satisfied that the disposal of this site for a supermarket represents the optimal solution for achieving the best return for this asset, while meeting the aspirations of the local community for improved shopping choice. The feedback from the Parish Council's consultation exercise suggested that the proposal would indeed increase the number of combined shopping trips to the village centre, to the benefit of other businesses.

RECOMMENDED:

- (a) That the St John's Street car park, Hythe, be declared surplus to direct operational requirements; and**
- (b) That the Executive Director and/or Chief Executive, in consultation with the Portfolio Holder for Finance and Efficiency and the Head of Legal and Democratic Services, be authorised to finalise the terms and enter into all the necessary contracts to complete the sale of the Council's land at St John's Street, Hythe, to Lidl on the principles set out in Report Item 4 considered by the Cabinet.**

2. FINANCIAL MONITORING REPORT – FORECAST OUTTURN (BASED ON PERFORMANCE TO OCTOBER 2015)

The Cabinet has considered the Council's financial performance for the period up to October 2015 including the key variations that have been identified since the last report in August.

The estimated outturn of the General Fund has reduced by £684,000 to £18.911 million, through a number of efficiencies and savings, including from delays in filling vacant posts.

It is proposed that savings currently identified against the General Fund should be set aside to cover part of the projected cost of the Local Plan Review and also as a contingency to meet the one-off costs of transitional arrangements to achieve future savings, without affecting reserves.

There is also a substantial reduction in the proposed Capital Programme, to £18.230 million, mainly from the rephasing of projects. Of particular note is the carrying forwards of projects to be funded from developers' contributions, amounting to £2.362 million, recognising that the projects will have to be included in work programmes as all the required elements are put into place. A delay in the procurement process for the Eling Tide Mill project has resulted in the rephasing of £500,000 expenditure into

future years, while delays to the Housing Major Repairs programme and to the contract for works on the North Milton Estate project lead to the rephasing of £2.477 million.

A further increase in the Housing Acquisitions and Development Budget of £2.492 million has also recommended by the Affordable Housing Project Board.

RECOMMENDED:

- (a) That additional expenditure of £2.492 million on Housing acquisitions and Developments be approved; and**
- (b) That the Medium Term Financial Plan include provision for the transfer of £326,000 into the Local Plan Reserve and that £300,000 be set aside for any one-off costs required to support the delivery of future ongoing savings.**

3. THE CORPORATE PLAN 2016-202 – “OUR CORPORATE PLAN”

The Cabinet has approved the draft Corporate Plan to cover the period 2016-2020. The draft Plan will now be the subject of consultation, including through the overview and scrutiny panels and the Industrial Relations Committee. A succinct format has been adopted, using graphics to emphasise the key points and ensure the plan is clear and accessible.

This key strategy document will be underpinned by a suitable and proportionate performance management framework that will set out how the Plan will be delivered and monitored.

The Plan recognises the unique and special character of the Forest, including the practical constraints arising from the juxtaposition of internationally designated wildlife and landscape areas with significant conurbations in adjacent areas; and a relatively older resident population

The new Corporate Plan should be agreed before April 2016.

**Councillor B Rickman
CHAIRMAN**