



Reigate & Banstead
BOROUGH COUNCIL
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REPORT OF:	Head of Property
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TO:	EXECUTIVE
DATE:	10 November 2016
EXECUTIVE MEMBER:	COUNCILLOR MRS N.J. BRAMHALL

KEY DECISION REQUIRED:	YES
WARD (S) AFFECTED:	KINGSWOOD WITH BURGH HEATH

SUBJECT:	COSTS TO ASSESS FEASIBILITY OF POTENTIAL RESIDENTIAL CONVERSION AT THE FORMER PARK FARM DEPOT, HOLLY LANE, BANSTEAD.
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RECOMMENDATIONS:

- (i) Authorisation be given to the Head of Property Services in consultation with the Executive Member for Property to make the necessary consultant appointments to carry out feasibility studies to assess the possibility of residential conversion of the former depot buildings, not exceeding the budget of £75,000.
- (ii) The Capital programme be revised to provide the funding of £75,000 for these feasibility surveys.
- (iii) That, subject to the results of the feasibility studies, authorisation be given to the Head of Property in consultation with the Executive Member for Property and the Head of Finance to prepare and submit a planning application.

That authorisation be given to the Head of Property in consultation with the Executive Member for Property to agree terms for, and complete, the disposal of the site in accordance with the minimum value set out in the exempt information at Part 2 of this report or, in the event that the feasibility study identifies that there is potential value in the Council building out the development itself, that a further report be brought to the Executive to consider the details of that option.

REASONS FOR RECOMMENDATIONS:

One of the Council's stated objectives in the 5-Year Plan is to maximise the value of our assets; this includes disposing of surplus assets. This former depot site has ceased to be used for operational purposes and the buildings have been let on a short term basis, pending the results of proposed feasibility studies to determine the possibility of conversion to residential use as this would provide the highest and best return. If the

results of the study are positive the intention is to obtain detailed planning approval for residential conversion and to sell the site to generate a capital receipt.

EXECUTIVE SUMMARY:

- Capital funding is required to procure the necessary consultants to carry out feasibility studies to assess the possibility of converting three buildings at the Park Farm Depot site into residential dwellings. Issues that need to be considered are that two of the buildings are listed, the site is located in the Green Belt and an Area of Great Landscape Value and is also in close proximity to the Banstead Woods ancient woodland.
- If initial studies are positive, it is proposed to prepare and submit a detailed planning application for conversion to residential and, subject to obtaining a resolution to grant planning permission, to dispose of the site to provide a capital receipt for the Council.
- This would support the Council's policy objectives in relation to delivering savings, bringing forward assets for development and the disposal of surplus assets.
- The anticipated cost of the feasibility studies and making a planning application is anticipated to be £75,000 excluding vat. The anticipated value of the site with planning approval is set out in the exempt information at Part 2 of this report.

Executive has authority to approve recommendations (i), (iii) and (iv). Council has authority to approve recommendation (ii).

STATUTORY POWERS

1. The Council has no statutory obligation to undertake this work but has general powers of competence under Section 1 of the Localism Act 2011 to undertake any activity which an individual with full capacity may undertake.

BACKGROUND

2. Park Farm is a cluster of former farm buildings, last used as a Council depot, located off Holly Lane, Banstead. Originally a farm and mansion constructed in the 1880s, the buildings, two of which are listed, have served a variety of uses including a POW camp in WW2.
3. The Greenspaces team that formerly occupied the site re-located to Earlswood depot in 2015 and the majority of the former depot buildings are now let on a short term basis to a waste management contractor and a vintage car restorer.
4. However, now that the site is surplus, it is proposed to convert these former depot buildings to residential. This will require feasibility studies to be carried out in advance of a planning application to consider issues including:
 - Sensitive conversion of the listed buildings
 - The site's location in the Green Belt and in an Area of Great Landscape Value and its proximity to the Banstead Woods ancient woodland
5. This report requests authority to amend the Capital Programme to provide funding for these studies and for other preparatory work that is needed.

6. Authority is also requested for future funding to prepare and submit a planning application and to subsequently dispose of the site.
7. The Banstead & District Scouts Association have a lease over the adjacent site and are surrendering the small section of one building which they occupy in order to facilitate the proposed conversion. At the same time they will be granted a new lease over the two sheds in the car park and a field which do not form part of the proposed conversion.
8. The extent of the site that is proposed to form part of the residential conversion and disposal is shown edged red on the plan at Annex 1.

KEY INFORMATION

Surveys required

9. The feasibility work required includes appointment of an architect specialising in historic buildings, a contamination survey, geo-technical report and environmental and ecological surveys.
10. The budget also includes the costs of fencing the revised area of the Scouts site and fencing to separate the western boundary of the conversion site from the proposed new Chipstead Downs nature reserve that would be adjacent to the site.

OPTIONS

Option 1

7. Take no action and continue to lease out the buildings. The buildings are in poor condition and the historic listed buildings are in need of refurbishment in keeping with their status.
8. This is not the recommended option.

Option 2

9. Explore refurbishment for continued commercial uses.
The location and nature of the site means that the potential commercial uses of the site are limited and its rental value is restricted. Therefore capital expenditure on the buildings would not yield a return that would justify the capital investment.
10. This is not the recommended option.

Option 3

11. Proceed with the proposed feasibility studies to ascertain whether residential conversion is feasible.
12. If the results of the studies are positive, to prepare and submit a detailed planning application for residential conversion and to sell the site on the open market or to bring a further report to the Executive in the event that the option of the Council carrying out the works is viable.
13. This is the recommended option, as it will result in the disposal of a surplus site and produce a capital receipt.

Option 4

14. Alternatively, assuming that the results of the studies are positive, the option of the Council carrying out the conversion could be explored. This would entail costing up the conversion as covered in Option 3 above. The completed units would then be sold on the open market.
15. This is not currently the recommended option.

LEGAL IMPLICATIONS

16. The proposal to convert the buildings is subject to completion of the surrender and re-grant of a new lease to the Banstead & District Scouts Association, as part of their existing site is required to facilitate the development. This transaction has been agreed in principle and is in solicitors' hands.

FINANCIAL IMPLICATIONS

17. An initial budget allocation of £75,000 is required to fund the feasibility studies and other preparatory work in the current financial year.
18. Subject to the positive outcome of the feasibility studies, a planning application will be prepared and submitted.
19. The initial feasibility expenditure will be carried out at risk, as the potential cost implications of, for example, sympathetic conversion of the listed buildings, cannot be accurately assessed without the studies and could affect the viability of the scheme.
20. As part of the feasibility the property department and the professional consultants will undertake pre application consultation with Development Management.
21. The anticipated disposal value of the site with resolution to grant planning permission is set out in the exempt information at Part 2 of this report.

EQUALITIES IMPLICATIONS

22. There are no equalities implications arising from this project.

RISK MANAGEMENT CONSIDERATIONS

23. As set out in the report, foreseeable risks relate to physical site characteristics, such as the cost of conversion of the buildings. These issues could result in a smaller capital receipt than projected or mean that the scheme is not viable. In the latter case, the maximum financial risk is the cost of the feasibility work.
24. As set out in the report, planning risk will be controlled by pre application consultation with development control prior to submitting an application to minimise the risk of consent being refused.

OTHER IMPLICATIONS

25. There are no other implications.

CONSULTATION

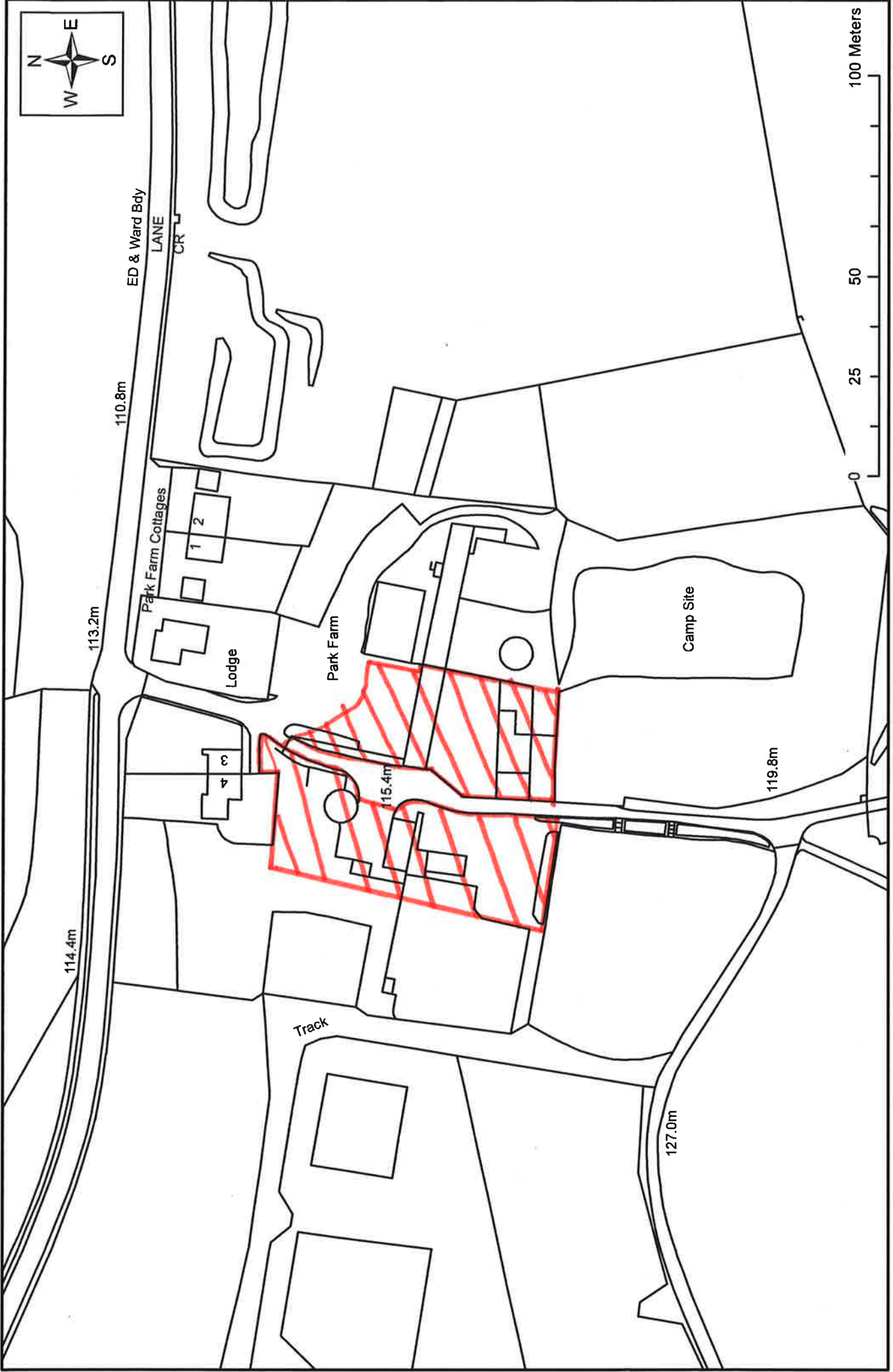
26. Executive Members have been consulted on the proposals both formally and informally.

27. The Legal Services Manager and Chief Finance Officer have been consulted on the contents of this report.
28. Consultation has also taken place with the Banstead & District Scouts Association as set out in paragraphs 7 and 15 above.

POLICY FRAMEWORK

29. The recommended option is in line with the Council's priorities within the 5 Year Plan to maximise the value of our property assets and to become financially self-sufficient by 2020. This proposal will deliver efficiencies, bring forward existing assets for development and generate a capital receipt.

Background Papers: None



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Scale: 1:1,250

POTENTIAL DEVELOPMENT

Park Farm, Holly Lane, Banstead