

Rother District Council

Report to	-	Cabinet
Date	-	29 July 2019
Report of the	-	Executive Director
Subject	-	Development of the old Bexhill High School site (CA3.1)

Recommendation: It be **RESOLVED:** That the new approach to developing the old Bexhill High School site Corporate Plan Project be supported by:

- a. omitting the proposed hotel; and
 - b. separating the housing and leisure elements into two distinct projects to be brought forward separately after outline planning permission has been granted.
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Head of Service: Ben Hook
Lead Cabinet Member: Councillor Oliver

Introduction

1. The Corporate Plan 2014-2021 sets out the Council's objective of securing a mixed use development, to include a new leisure facility, on the site of the former Bexhill High school, the current Bexhill Leisure Centre and the Ministry of Defence (MOD) Drill Hall site.
2. This site was allocated in the 2006 Local Plan under policy BX9 "*for mixed-use development comprising offices, community buildings and high density housing*".
3. This allocation was carried over into the Council's Core Strategy (2014). Consequently, the proposed redevelopment accords with Core Strategy policies (BX1) which seek to "*develop local amenities, including support for community activities and facilities, learning opportunities, and improved sports and leisure facilities, including a new leisure/swimming centre*". Furthermore, the site is allocated for a "*mixed use development creating a leisure destination, comprising of a wet/dry leisure facility, housing, hotel, restaurant space, and associated car parking*" within the Development and Site Allocations (DaSA – Policy BEX4) which seeks to "*create a landmark leisure destination through high quality buildings and public realm*".

Following the presentation of initial scoping including a document to Cabinet (Minute CB12/10 refers) a full feasibility study and site masterplan was undertaken.

Background

4. Initial terms for the acquisition of the former High School site were agreed with East Sussex County Council (ESCC) in 2013 as part of a Land Swap agreement also involving the acquisition of Rother District Council (RDC) land required for the Bexhill-Hastings Link Road (Minutes CB12/111 and CB14/30 refers).

5. The principal constraints to the delivery of this site were outlined in a previous report (Minute CB17/16). These are predominantly complex land assembly issues involving a number of third parties as detailed on the map of the site at Appendix 1.
6. In order to deliver a holistic solution which delivers the policy requirements of BEX4, it was appropriate to seek to acquire the Drill Hall which occupies the south eastern corner of the site, currently owned, used and managed by the South East Region Forces' and Cadets' Association (SERFCA).
7. A deal was structured whereby the Council facilitated a move to new premises, acquired the Drill Hall, and incorporated this part of the site into the wider development proposals (Minute CB17/16 refers).
8. Within the same report, approval was sought to purchase part of the site's frontage believed to be owned by the De La Warr estate and which is necessary for access.
9. There were also village green constraints which the Council were working with the Open Spaces Society to clarify.

Current position

Ministry of Defence

10. RDC has been in discussions with SERFCA for a number of years to acquire the Drill Hall site (Appendix 1 – coloured dark blue). SERFCA was agreeable to move and suitable premises had been identified. However, in recent months their position has changed due to the requirement that they need to retain their current live-fire rifle range.
11. It was previously understood that a rifle range would not be needed in the alternative premises offered as part of the deal to acquire the Drill Hall. Since the deal was structured, the cadet's rifle range in Hastings has closed and consequently SERFCA are unlikely to move to premises without a rifle range. After a visit by their senior team they concluded that the cost of the other premises was too high and that they will remain in their current premises and invest in the site.

De La Warr Estate and Village Green

12. The De La Warr Estate (the Estate) own the frontage of the land at this site and RDC has been in lengthy negotiations with them but has now agreed a price for the acquisition of their land (Appendix 1 – coloured yellow). However, while working towards purchasing the land, it has come to light that the Estate is currently unable to prove title. The Estate has made an application to the Land Registry which is currently awaiting formal determination. If they are unable to prove title, then the Council will need to consider compulsory purchasing the land.
13. Furthermore, to the front of the site is a small piece of land designated as a village green now covered in cobbles (Appendix 1 – coloured yellow). RDC cannot undertake any action on this land as it is not in their ownership and so are waiting on the outcome of the Estate acquisition.

14. In the meantime, RDC have written to the Open Spaces Society and, while not yet formally agreed, they have stated they have no problem with this being de-registered and a slither of land compensated to the north of the site once the Council gains ownership. This deregistration is necessary for the widening of the access road to meet highways infrastructure requirements as part of the development.

East Sussex County Council Land

15. Minutes CB12/111 and CB14/30 approved the acquisition of the former High School site for the sum of £1.05m, in exchange for the receipt of £865,000 for the land and other compensation sums due to RDC through the compulsory purchase order of land required for the new link road. However, the acquisition of the High School site has yet to be completed due to the existence of legal constraints which have the potential to restrict the use of the site to be developed. (Appendix 1 – red boundary).
16. In addition to the village green there is also a right of access to the Skills Centre building across the site, originally in favour of Bexhill Academy Trust. Following the Academy Trust vacating the building the lease has reverted to the Department for Education. The lease from ESCC to the DoE does not make provision for the specified route to be varied, and this also has the potential to frustrate a development should the occupier be unwilling to agree to such a variation. ESCC are working to resolve this as part of the transfer and provide the required flexibility.

Planning Application and Leisure Consultancy

17. The Council has appointed architects to create a masterplan for the site, and to work up an outline Planning Application (Minute CB16/06 refers). The application was submitted earlier this year, and is awaiting determination.
18. In accordance with Minute CB16/06 the Council has appointed leisure consultants, Strategic Leisure Limited (SLL), to provide specialist support and advice in delivering a new leisure facility and procuring an operator to run the centre.

Next Steps

19. Should the De La Warr Estate's application for registration be unsuccessful, it will be necessary for the Council to acquire this land using Compulsory Purchase Order (CPO) powers from an unknown owner. Legal Services have been instructed (Minute CB17/99 refers), but they advise that the process cannot commence until the De La Warr application is resolved.
20. As the Council has been unable to acquire the Drill Hall, the current planning application (RR/2019/430/P) and associated masterplan will require amending. The architects appointed to work up the current application have been retained and will be commissioned to make the necessary amendments.
21. Heads of terms on the transfer of the ESCC land are currently being reviewed and the Council is expected to take ownership of the land within the 2019/20 financial year.

22. Under the current proposals, the land occupied by the Drill Hall is earmarked for a hotel and associated car parking. However, retention of the Drill Hall means that a hotel cannot be provided without impacting upon the Council's ability to deliver a new leisure facility. It is therefore necessary to omit the hotel, focusing the application on the other elements required under planning policy BEX4.
23. Loss of the hotel impacts upon the overall viability of the scheme as its revenue was intended to cross-subsidise the leisure centre. Consequently the residential scheme at the northern end of the site must also be amended to maximize potential for capital returns thus reducing any borrowing requirement.
24. Once in receipt of outline Planning Permission securing the principal of development, the Council will begin the detailed design process. In order to bring the site forward in an efficient, timely manner, it is necessary to separate the project into two distinct parts; the leisure development and the housing development. This will allow the Council to procure designers and contractors with experience of residential development to work in the northern portion of the site, while specialist leisure designers will work on the southern portion. Adopting this strategy will ensure that the Council can receive a capital return from the residential element, potentially bringing this development forward in advance of the leisure centre, pump-priming its delivery.
25. As part of their commission, SLL will offer specialist advice to the Council on options for developing the leisure centre. They will offer support in appointing designers, contractors, and centre operators, will assist in working up a final facilities mix in consultation with stakeholders, and will prepare applications for funding.

Conclusion

26. Progress on this project has been fraught with unforeseen difficulties. However, a number of land issues are getting nearer to resolution. Circumstances beyond the Council's control have contributed to a position where a change of strategy is necessary to ensure momentum is maintained, and the new leisure centre is delivered. Members are requested to approve this new approach of the Drill Hall remaining, reconfiguring the leisure centre site and the provision of more housing to offset the capital costs in order to progress the new landmark leisure destination and much needed housing for the local community.

Dr Anthony Leonard
Executive Director

Risk Assessment Statement

Should Members not support the change to the planning approval with the retention of the Drill Hall, then the site will stall further.

Should the residential scheme not be separated it will be linked to the timescales and decision making processes associated with the delivery of the leisure element, both in terms of facility mix and detailed design. This has potential to cause delays to the delivery of the housing, which in-turn impacts on its ability to pump-prime the leisure centre. Furthermore maintaining a link between the projects ties the residential element into funding applications for the leisure centre which may cause further delays.