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To:	Scrutiny Committee
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Wards Affected:	Selby East
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Lead Executive Member:	Councillor Mark Crane, Leader of the Council
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Title: Olympia Park - Update on Progress and Next Steps

Summary:

This report seeks to update the Scrutiny Committee on the proactive work that officers from Selby District Council have undertaken with landowners and other key partners to unlock delivery of Olympia Park, a key strategic site for the Council.

Recommendation:

That Scrutiny Committee note the work carried out to date, and proposed next steps to enable the delivery of Olympia Park.

Reasons for recommendation

The report has been brought before the Scrutiny Committee to update members on the work completed to unlock the delivery of the strategically important Olympia Park site since the last report to the Committee in March 2018.

1. Introduction and background

1.1 The Council's Adopted Local Plan Core Strategy identifies Olympia Park to deliver 1000 new homes and 23 hectares of new employment land in the period up to 2027, with a further 10.6 hectares reserved for longer term employment use (total 33 ha).

1.2 Members will recall that western part of the site was granted a hybrid planning permission in December 2015 (outline planning permission for the

development of 863 homes and detailed planning permission for highway infrastructure including a highway bridge over the Selby-Hull railway line and a link road from the Selby by-pass into the Potter Group site). However, no start on site has been achieved due to the high infrastructure costs primarily associated with the bridge, despite a previous package of financial support being available from the LEPs and Homes England.

- 1.3 On this basis, the consented Olympia Park site is considered to be stalled and does not form part of the Council's current 5 year housing land supply
- 1.4 At the update to Scrutiny Committee in March 2018 officers reported that other options for bringing this strategic site forward for development were being discussed with the owners of the central and eastern part of the site and other key stakeholders.
- 1.5 These discussions were based on developing a comprehensive, mixed use scheme accessed from the Selby By-Pass and Members were informed that the Council had been advised by the Homes and Communities Agency (now Homes England) that £8.878 million of funding from the Government's Marginal Viability Housing Infrastructure Fund had been approved in principle to help facilitate the delivery of the scheme, subject to further due diligence.

2. The Current Position and Next Steps

- 2.1 The emerging proposals for the Olympia Park site seek to develop a comprehensive mixed use scheme accessed from the Selby By-Pass. Subject to the completion of detailed design work the proposed scheme could deliver up to 1,500 homes, employment land (including some potential higher value uses); a new Neighbourhood Centre, new Primary School and associated open space.
- 2.2 The Marginal Viability Housing Infrastructure Funding will have a major impact on accelerating the delivery of the site, targeting funding at the construction of highway infrastructure and contributing to the cost of utilities and site preparation works and potentially land assembly.
- 2.3 Following lengthy discussions with Homes England, the £8.878 million grant funding was approved by Homes England's Housing Infrastructure Investment Board in the first week of October. The Council is now awaiting written confirmation of this funding from Homes England, including any associated conditions.
- 2.4 The Housing Infrastructure Funding has to be spent by the 31st March 2021. In order to achieve this critical deadline the Council will be working collaboratively with all of the landowners to prepare the necessary legal agreements for them to commit to the design of a comprehensive, integrated scheme for the whole site.
- 2.5 At this stage it is anticipated that a hybrid planning application (detailed for the link road and outline for the uses on the site) will be submitted in March 2019

with a view to work on the infrastructure later that year. This is slightly later than reported to the March Scrutiny Committee mainly as a result of complex discussions with the Environment Agency on mitigating flood and Homes England delaying the confirmation of the Housing Infrastructure investment.

- 2.6 The HIF funding may be supplemented by additional investment from the York, North Yorkshire and East Riding LEP. Up to £1.2 million of investment has been agreed in principle, subject to a Detailed Business Case, which is being prepared. It is anticipated that this will be considered by the LEP's Infrastructure Board for approval in December 2018.
- 2.7 The Council has established a strong governance structure to oversee the development of the Olympia Park project that includes a Board (chaired by the Director of Economic Regeneration and Place) and a Project Team that meet on a monthly basis.
- 2.8 The Council is also playing an important enabling role in brokering meetings between the landowners who control the site and potential development partners to ensure that a comprehensive, integrated scheme is developed for the site that has appropriate links to the town centre and neighbouring communities.

3. Legal/Financial Controls and other Policy matters

Legal Issues

- 3.1 The Council has the legal powers to accept the grant outlined in this report. The budgetary framework to accept the grant was approved by The Council at its meeting on the 22nd February 2018.
- 3.2 The Council, with the support of external Legal advice, are forming legal agreements to formalise the relationship between the Council and the Developers of the Olympia Park site, based on the Council as the grant holder. A site specific funding agreement is also being drawn up between the Council and Homes England to specify the conditions of the grant.
- 3.3 Should the Council need to exercise its powers in terms of site assembly it has powers to acquire land by agreement under both the Local Government Act 1972 and the Town and Country Planning Act 1990. Any land required in order to implement the scheme which cannot be acquired by negotiation with landowners could require a compulsory purchase order to enable delivery of the scheme

Financial Issues

- 3.3 The £8.878 million Homes England grant funding will be will be paid to Selby District Council at agreed intervals under section 31 of the Local Government Act 2003, and will be based on progress reports from the local authority. As such Selby District Council will be the Accountable Body for the funding. The

£1.2 million funding in principle from the York, North Yorkshire and East Riding LEP will be only be secured if a Detailed Business Case is approved.

- 3.4 This HIF funding is for capital works and the potential acquisition of land and it will not cover staff resources or holding costs

Impact Assessment

- 3.5 The development of a more comprehensive, integrated scheme for Olympia Park will bring considerable benefits for the town in terms the provision up to 1500 homes, the consolidation of existing employment on the site and the creation of significant new employment space and new jobs. It will also regenerate a key strategic site and gateway into Selby town.
- 3.6 A scheme of this size will also include the development of new education and community facilities around a new neighbourhood centre, new and replacement open space and replacement allotments. These will benefit existing neighbouring areas as well as residents and businesses within the new development.

4. Conclusion

- 4.1 The report provides Scrutiny Committee with the opportunity to comment on the work carried out to date, and the proposed next steps, to enable delivery of Olympia Park.

5. Background Documents

Appendix A - Olympia Park – Update on Progress and next steps

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APPENDIX A

Olympia Park – Update on Progress March - October 2018 and next steps

1. Summary

- 1.1 This note summarises the work that has been carried out by Selby District Council officers since the last update to Scrutiny Committee in March 2018, working closely with North Yorkshire County Council, the landowners, the Homes and Communities Agency (now Homes England) and both Local Enterprise Partnerships (LEPs) to explore alternative options for delivering the site. It then sets out the proposed next steps to identify a viable delivery strategy.

2. Background

- 2.1 Olympia Park is a key strategic site for residential and employment development in Selby District in the adopted Core Strategy (2013).
- 2.2 Selby town is identified as a growth hub in the York North Yorkshire and East Riding (YNYER) Strategic Economic Plan (SEP) and Selby is the fastest growing district in North Yorkshire.
- 2.3 Developing Olympia Park will deliver significant housing and employment opportunities in line with Selby's growth ambitions. It will also result in environmental improvements and create a sustainable urban extension close to Selby town centre, improving a key gateway and regenerating one of the older employment areas of the District. In its current semi-derelict state the site presents a very poor 'gateway' into Selby town from the A19 and Selby Bypass.
- 2.4 The site itself is challenging to deliver in planning and development terms, requiring flood mitigation works, the construction of major infrastructure to unlock the site and works to address adverse ground conditions.
- 2.5 An aerial photo of the Olympia Park area is attached as Figure 1 to this note. The masterplan submitted by Three Swans to support the residential led application in December 2015 is attached as Figure 2 of this note for information. This shows the red-line of their planning application and also an **indicative layout** for employment uses on the Selby Farms and Potter Group land, but will be subject to change as part of the new scheme that is being considered

3. Ownership

- 3.1 The residential land with the outline planning permission is owned by **ForFarmers**, with **Three Swans** acting as the promoter. The residential part of the consented scheme is challenged by high infrastructure costs, including a road access over a railway line (approx. £28 million) and a link road to the A63 bypass which need to be funded and in place before occupation of the

main area of housing south of the railway line begins, to allow an alternative access for the Potter Group's main logistics business.

- 3.2 The farm land adjoining the Selby by-pass is currently identified as employment land and is owned by **Selby Farms**. They are keen to bring forward this part of the site for development, probably as part of an agreement with a development partner.
- 3.3 The Potter Group own the land in between the allocated housing and employment sites, operating a successful logistics hub. They too are keen to see the Olympia Park development come forward as a direct access to the Selby by-pass will considerably improve the efficiency of their business and their potential expansion plans

4. The role of the Public Sector in enabling delivery

- 4.1 Council officers continue to work with Three Swans to ascertain whether a private sector solution can be delivered for the western part of the site but the current position is that viable proposals to build out this scheme have yet to be identified.
- 4.2 Therefore in addition to continuing to work with Three Swans to seek a way forward, officers have been in discussion with the owners and agents who control the central and eastern parts of the site regarding the development of a comprehensive scheme accessed from the Selby By-Pass.
- 4.3 This formed the basis of a successful bid for £8.878 million of funding from the Homes and Communities Agency's (now Homes England) Housing Infrastructure Fund. In addition, the Council is in the process of submitting a Business Case for £1.2 million of additional funding from the York, North Yorkshire and East Riding LEP's Local Growth Fund to contribute towards the infrastructure and site preparation works on the site. This will be considered by the LEP's Investment Committee in December 2018.
- 4.4 This funding will enable Selby District Council to take more of a lead role in facilitating the infrastructure that will unlock the site, primarily through the construction of the main access road from the by-pass and site preparation works.

5. Benefits of a public sector led approach

- 5.1 The obvious benefit of the public sector (through Homes England and potentially the York, North Yorkshire and East Riding LEP) investing in the scheme is to unlock and accelerate delivery through the provision of infrastructure and potential site assembly. For Selby District Council (SDC) the delivery of this site is of paramount importance in terms of regeneration benefits, delivery of the Core Strategy and providing a long term supply of housing land.

- 5.2 There will be added benefits for the District and County Council through the development of the site in terms of Council Tax receipts, New Homes Bonus and the wider economic growth as well as improving a key gateway into the town.
- 5.3 There may also be potential to recover some of the investment subject to viability. De-risking works, site assembly and the early infrastructure provision is likely to create value and there could also be potential direct development opportunities on serviced plots for SDC/NYCC and our partners.
- 5.4 By helping to de-risk the site, increased developer confidence will be secured with a view to potentially releasing a variety of development parcels for different sectors of the market such as SME's, custom and self-build, volume house-builders and registered providers.

6. Progress to date

- 6.1 There has been significant progress in exploring alternative options for delivery since the last Scrutiny Committee update in March:
- Selby District Council supported by the local MP, North Yorkshire County Council, Selby College and landowners has now secured funding of £8.878 million to the Homes and Communities Agency's Housing Infrastructure Fund. As outlined above, this will provide a major boost to accelerate the delivery of the scheme.
 - The funding bid to the York, North Yorkshire and East Riding LEP is almost complete and will be submitted in late October
 - Work has progressed on the preparation of a comprehensive masterplan for the whole site that will provide a foundation for the submission of future planning applications.
 - A programme for the submission of a planning application for the comprehensive development of the site has been agreed with the development partners

7. Delivery options

- 7.1 There are three main options that are being considered to bring the Olympia Park site forward for development:
- A landowner led approach to deliver the site in separate parts in accordance with an agreed masterplan – not favoured given the need to achieve an integrated development that has strong links to the town centre. Proposals to develop the western part of the site in isolation are unviable based on current information.
 - The Public sector purchases the western part of the site, delivers infrastructure and then sells to a developer(s) as serviced plots – this option is being considered as part of a wider Housing Infrastructure Fund proposal to construct an access road from the Selby by-pass

- The delivery of the site through a Public/Private sector partnership – this is currently a likely scenario based on the public sector funding a development partner to construct the key infrastructure and, subject to viability, this investment being recovered through plot sales.

8. **Next steps**

8.1 The key milestones for the next stage of the project are outlined in the table below.

<u>Task</u>	<u>Date</u>
Submit business case for YNYER LEP funding	October 2018
Decision on the YNYER LEP funding	December 2018
Grant Determination Agreement completed with Homes England for the Housing Infrastructure Fund investment	December 2018
First tranche of Homes England Housing Infrastructure Fund investment released (anticipated date)	January 2019
Final detailed site investigation works and surveys to support the planning application completed	February 2019
Pre-application discussions	January/February 2019
Revised Planning Application/s submitted	March 2019
Decision on revised planning application	June 2019
Infrastructure works commence on site	December 2019
Deadline for the YNYER LEP Funding to be spent and the infrastructure physically completed	December 2020
Deadline for the Housing Infrastructure Funding to be spent	March 2021

9. **Governance and decision making**

9.1 The Olympia Park project is being governed by a Project Board and Project Team that both meet on a monthly basis.

9.2 Any decision for the Council to commit further resources to the project will require formal approval through the political process following appropriate due diligence and completion of a detailed business case/appraisal.

9.3 Potential future reports to Executive are outlined as follows:

- Progress report on the HIF investment, agreed masterplan and potential public sector and public/private delivery options - December 2018

Fig. 1 - Aerial Photo – Olympia Park

