



Title of meeting:	Cabinet
Date of meeting:	27th September 2022
Subject:	Cosham Development Sites
Report by:	Tristan Samuels Director of Regeneration
Author:	Tom Southall, Assistant Director - Property and Investment
Wards affected:	Cosham
Key decision:	Yes
Full Council decision:	No

1. Purpose of report

- 1.1. This report updates members on the Cosham land assembly sites that form the intended strategic regeneration area and recommends the immediate disposal of the former PCMI site to Hampshire & Isle of Wight Fire and Rescue service (HIWFR).
- 1.2. This is a deviation from the recommendations previously approved in the Cabinet resolution of the 2nd February 2021.

2. Recommendations

The Cabinet is asked to;

- 2.1. Note that the previous decision taken on the 2nd February 2022 is no longer deliverable, as the previously agreed terms and conditions that underpinned that decision have now been varied by one of the parties.
- 2.2. Approve a new recommendation to dispose of the former Portsmouth Craft and Manufacturing Industries Site, as per the terms agreed and set out in the Cabinet Report 'Cosham Development Sites' 2nd February 2021, to be completed as soon as possible to enable the Hampshire & Isle of Wight Fire and Rescue Service to progress with the development of their new Fire Station.
- 2.3. Agree new recommendations for Portsmouth City Council to acquire the existing Police and Fire sites via separate contractual agreements still to be negotiated.
- 2.4. Delegate to the Director of Regeneration in consultation with the Leader of the Council and the Section 151 Officer to negotiate and agree terms with Hampshire Constabulary (HC) to secure development through acquisition or via other contractual means, of the existing Cosham Police Station.



- 2.5. Delegate to the Director of Regeneration in consultation with the Leader of the Council, and the Section 151 Officer to negotiate and agree terms with Hampshire & Isle of Wight Fire and Rescue service for the acquisition of the existing Cosham Fire Station.
- 2.6. Delegate to the Director of Regeneration, the Section 151 Officer and the City Solicitor authorisation to finalise negotiations, prepare and complete the necessary documentation to give effect to 2.2, 2.3, 2.4 and 2.5 above.
- 2.7. Note that the promoter team remain committed to development principles established by the work of the Cosham Working Group currently being consulted on with the local community, subject to the properties being available to purchase as previously agreed.

3. Background

- 3.1. The Cabinet report dated 2nd February 2021 entitled Cosham Development Sites sets out the strategic opportunity and rationale behind public sector land assembly in Cosham. The report and agreed recommendations is attached in appendix A.

The Opportunity

- 3.2. The Cosham Opportunity Area has been in discussion with strategic health and blue light partners for a number of years, since having featured as part of the 2012 Local Plan. More recently, it was consulted on as part the Regulation 18, as part of the emerging local plan. The opportunity area has always lacked a vacant site to kick-start the chain and in 2020 the Council, by shelving its own housing plans on the PCMI site in favour of supporting the development of a new Blue light Hub led by the Hampshire Fire and Rescue Service has taken the first steps to realising the wider benefits the opportunity area could offer.
- 3.3. To ensure these benefits were realised, the One Public Estate (OPE) team led by the Council, with the agreement of the Portsmouth Health and Social Care Executive (now Joint Commissioning Board) endorsed the creation of a Cosham Working Group (CWG) chaired by the council to explore the Cosham opportunity (see CWG report in appendix B). The CWG report includes the background to the work of the group and also the terms of reference for the partners engaged in the work of the group.
- 3.4. The Cosham opportunity arose when a number of public sector organisations crystallising their plans to dispose of their estates in the area and to create new facilities, which meant that land could be assembled to take forward a well-planned development for the benefit of the area. The group recognised the potential opportunity arising from separate agency site specific discussions which could yield more if coordinated and viewed holistically and tasked the CWG to manage this process.
- 3.5. The CWG secured One Public Estate funding to support the work to explore the opportunity. PCC's strategic development service was commissioned to engage



stakeholders to understand the scope of the opportunity and to provide an overview of the potential for the opportunity.

- 3.6. Engagement work to date has focussed primarily on a range of stakeholders including agencies with interest in the area. The team took the opportunity to use Public Community Engagement events to listen to the community on their thoughts on other key developments in the North of the City, including highways improvements and proposals for improvements to King George V Playing Fields. That has been helpful and alongside the feedback on the local plan consultation provides some insight into the view of the community about the Cosham area.
- 3.7. The Portsmouth Health and Social Care Executive (now the Joint Commissioning Board) agreed the recommendations of the CWG report (appendix B) creating a Cosham Regeneration Project, led by PCC, with the CWG partners being subsumed in the governance of the regeneration project and an OPE stakeholder group.
- 3.8. The outputs of the CWG are captured in the presentation in appendix C.
- 3.9. The findings of the CWG work now provides the basis for phase one of the Cosham Community Engagement Plan. The project team intends to keep the community at the heart of the emerging plans for Cosham and has agreed an initial engagement approach that aims to gather views and ideas from a wide and diverse range of local voices. The first round of engagement began in July 2022 after the launch of the Cosham Opportunity Area website ([Home - Cosham Regeneration \(portsmouth.gov.uk\)](https://www.portsmouth.gov.uk/home-cosham-regeneration)). Using a variety of traditional and creative tactics people will be encouraged to answer the broad question:

We have a once in a generation opportunity to improve Cosham for all who live, work and travel in the area. What would you like us to think about when we put plans together?

The findings from this phase will be analysed by the engagement team, communicated back to the community and key stakeholders, as well as informing next steps.

The Properties

- 3.10. In parallel with the broader CWG work, the Council, Hampshire & Isle of Wight Fire and Rescue Service and the Police and Crime Commissioner for the Hampshire Police Area agreed acquisition/disposal heads of terms for a series of land transactions in central Cosham that would form part of the Cosham Opportunity Area. The recommendations approved by the Cabinet at its meeting on the 2nd February 2021 (Appendix A) set these out;
- 3.10.1. ... *the Freehold of the land known as Portsmouth Craft and Manufacturing Industries (PCMI), 85 Northern Road, Cosham, Portsmouth PO6 3EP as shown edged red on the plan at Appendix A and forming part of title PM24912 be sold freehold to the Hampshire Fire & Rescue....*



- 3.10.2. *The Freehold of the land known as Cosham Fire Station, Wayte Street, Cosham, Portsmouth PO6 3BS as shown edged red on the plan at Appendix C and forming part of title PM35957 and PM37047 be acquired by Portsmouth City Council*
- 3.10.3. *The freehold of land known as Cosham Police Station, Wayte Street, Cosham, Portsmouth PO6 3BS as shown edged red on the plan at Appendix E and forming part of title PM13256 be acquired by Portsmouth City Council*
- 3.11. The sites when assembled would, in line with the emerging Local Plan and the OPE stakeholder mandate, support the potential for a first phase of local development to catalyse regeneration in the local area, which would, in time provide support for the Cosham high street through the delivery of new housing, co-located public amenity and employment opportunities.
- 3.12. This package of transactions, whilst not all contractually linked, were agreed in principle only, between the CWG parties to be performed simultaneously under the auspices of OPE to rationalise the public ownership and de-risk future development opportunities.
- 3.13. Bringing forward completion of these transactions has taken longer than originally anticipated. The delays were due in part to the diversion of resources by all parties during the Covid pandemic, the complex nature of site investigations, delays in the legal process, and general changes in staff resources in the period. No single party takes overall liability for the delays encountered.
- 3.14. During this period, as of May 2021 a new Police & Crime Commissioner Hampshire & Isle of Wight has been appointed to lead the OPCC and has subsequently reviewed the disposal of Cosham Police Station to Portsmouth City Council as sanctioned by her predecessor and has raised a number of concerns with the agreed deal. These concerns relate to the:
- 3.14.1. the level of the consideration;
- 3.14.2. the unconditional structure of the deal;
- 3.14.3. the timing of the future development;
- 3.14.4. OPCC's operational need of Hampshire Constabulary in the local area.
- 3.15. To mitigate these concerns the OPCC has proposed to withdraw from the previously agreed property transaction and has instead proposed a new conditional option to purchase the Cosham Police station.
- 3.16. As a consequence of these concerns the parties have started to look at an alternative proposals to keep the OPE vision for the Cosham Opportunity Area alive and the Council has been asked to comment on a new set of conditional terms in the form of an Option Agreement. This conditional proposal is different to the unconditional disposal originally agreed.
- 3.17. It is recommended that the Council continue to negotiate the terms preferably for a direct purchase of the site or another contractual arrangement, including the use



of an option agreement with some conditionality that supports the regeneration ambitions for the area, with the OPCC team.

- 3.18. Working at significant financial risk, but in good faith of the agreed partnership HIWFRS have secured planning consent for the proposed new fire station on the former PCMI site and have tendered and secured a contractor to commence construction. In order to deliver the station, based on the affordable tender HIWFRS need to proceed ASAP to complete the acquisition of the site.
- 3.19. In line with the drafted legal contracts and heads of terms originally negotiated and approved as part of terms appended to the February 2021 Cabinet report, the completion of the disposal of the site to HIWFRS has always been intended to occur within 6 months of achieving valid planning consent and the expiry of the judicial review period. Given the need and relative benefits of Hampshire & Isle of Wight Fire and Rescue Service commencing construction and delivering their state-of-the-art new station and to abide to the original intentions of the parties, it is recommended that Portsmouth City Council now complete the disposal of the former PCMI in isolation.
- 3.20. Without the purchase of the Cosham Police station the need and relative benefit of acquiring the existing Cosham Fire station in isolation is diminished. The acquisition of the fire station should no longer be linked to the disposal of the PCMI site. However, as opportunities to acquire the Police Station have not been exhausted the Council should retain its interest in acquiring the Fire Station by securing an exclusive option agreement. It is therefore recommended that the Council negotiate and enter into an option arrangement for the potential future purchase of the Cosham Fire Station on the purchase terms and consideration already agreed.

4. Reasons for recommendations

- 4.1. The recommendations are considered by Officers as an important step in meeting the needs of Hampshire & Isle of Wight Fire and Rescue Services, to provide much needed improved facilities serving the North of the City in a purpose built station and training facility, whilst maintaining the opportunity for future development of the Cosham area.

5. Integrated impact assessment

- 5.1. The contents of this report do not have any relevant equalities and environmental impact and therefore an Integrated Impact assessment is not required.

6. Legal implications

- 6.1. Under s123 of the Local Government Act 1972 the Council may dispose of any land in any manner they wish provided that it must be for the best consideration that can reasonably be obtained. If the disposal is not for the best consideration obtainable then the consent of the Secretary of State will be required.

6.2. In relation to the two sites proposed to be acquired, independent external valuations have previously been obtained to establish the market and existing use value. Property & Investment will pursue further negotiations in relation to each acquisition taking account of each site's unique circumstances and considerations with a view to ensuring that best value is obtained for the Council.

7. Director of Finance's comments

7.1. The acquisition of the Cosham Fire and Police station sites was intended to be funded from the proceeds of the sale of the former PCMI site. It was envisaged that the proceeds from the sale of the site would be adequate to acquire the other two sites.

7.2. The Assembly of Land in Cosham was included within the Capital Programme Report to be taken to Full Council on the 9th February 2021 on this basis. Should the cost of the assembly require more than this then further funding would need to be identified and approved through Full Council.

7.3. The intention would be for the Council to develop out these sites as quickly as possible, any excess monies from the sale of the site will be used to carry out feasibility studies and design works, with a view to bringing forward a planning permission for a financially viable development.

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Signed by: Tristan Samuels, Director of Regeneration

Appendices:

Appendix A - The report and recommendations approved by the Cabinet - 2nd February 2021

Appendix B - Report of the CWG to the JCB

Appendix C - Cosham Opportunity Area development brief

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Cosham Sites Development	Cabinet 2 nd February 2021

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by: