

Subject:	Stanmer Park – Redevelopment of Traditional Agricultural Buildings		
Date of Meeting:	14 July 2016		
Report of:	Acting Executive Director Economy, Environment & Culture		
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Ward(s) affected:	Hollingdean & Stanmer		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 As part of the Stanmer masterplan it is an objective to restore and develop the long barn and associated Traditional Agricultural Buildings in Stanmer to provide a mixed use scheme that will act as a gateway to the South Downs National Park. (A location plan and site plan of the buildings are attached at Appendices 1 and 2).
- 1.2 July 2014 Policy & Resources approved the applications for grant funding for the Stanmer Parks for People and the Heritage Grant for the Traditional Agricultural Building's as well as a match funding package for both bids. Following the failure of the Heritage Grant to support the restoration of the Traditional Agricultural Buildings, a report was presented to Policy & Resources Committee on 11 February 2016 recommending that a revised Development Appraisal be commissioned to re-evaluate the cost and viability of developing the buildings to meet the council's objectives, as the previous Development Appraisal, prepared in 2013, required updating. In addition, since 2013 the council has had the benefit of further heritage advice that needs to be considered when formulating proposals for the buildings and included in the revised Development Appraisal.
- 1.3 The same February 2016 Policy & Resources Committee report also recommended the disposal of some non-core surplus assets from the council's Agricultural Estate to finance the Stanmer Project including the restoration and development of the Traditional Agricultural Buildings and supporting funding proposals for the Parks for People bid and the Traditional Agricultural Buildings, which the Committee agreed to in principle.
- 1.4 The same Committee requested that a revised proposal and recommendation for the development of the Traditional Agricultural Buildings be presented at a later date for Policy, Resources & Growth Committee to consider following completion of the revised Development Appraisal. That report to also provide further details of the non-core agricultural assets to be disposed of and the associated funding proposal.

- 1.5 This report sets out the further detail requested and is timetabled to ensure the decision can be included in the Stage 2 Parks for People bid, which also forms part of the Stanmer project, and is due to be submitted in September 2016 and is complemented by a separate part two report.

2. RECOMMENDATIONS:

- 2.1 That Committee approves the redevelopment of the Stanmer Traditional Agricultural Buildings in accordance with the conclusion - Option 4, as this option produces the best income return on the estimated capital expenditure and will deliver all of the council's wider objectives including:
- Gateway to National Park
 - SDNPA area office
 - Visitor Information, education and Interpretation spaces
 - Community and event space
 - Recreation areas and vibrant working hubs
 - Improved access to local Heritage, the Countryside, Agriculture and Food Production
 - Craft workshops and Artisan retail outlets
 - Delivery of a sustainable management plan for the wider Park and village
- 2.2 That Committee authorises the Acting Executive Director Economy, Environment and Culture, Assistant Director Property & Design and Head of Legal Services to approve terms for the disposal of 16 non-core assets from the council's Agricultural Estate as set out in the part two report.
- 2.3 From the disposal of these non-core assets and the disposal of non-core assets previously approved for disposal on 11 July 2014 of which 50% is to support the council's capital investment strategy, the total net capital receipt to be used to provide match funding for the Parks for People bid and funding for the development of the traditional agricultural buildings.
- 2.4 That Committee authorises the Acting Executive Director Economy, Environment and Culture, Assistant Director Property & Design and Head of Legal Services to approve terms for the disposal of 2 potential residential enabling development sites within Stanmer, subject to consultation.

3. CONTEXT/ BACKGROUND INFORMATION

3.1 Development Appraisal

Savills were the successful tenderer and have been instructed to complete the Development Appraisal, to consider: -

- The objectives of the Stanmer Park Masterplan (set out in Appendix 3).
- Council policy context, including the Downland Estate Policy and the Brighton and Lewes Down Biosphere Reserve.
- Planning policy.
- The heritage information and documentation including reports undertaken subsequent to the previous Development Appraisal completed in 2013 and the unsuccessful Stage 1 HLF bid submitted in 2014.
- The original objectives of the council and the SDNPA for the buildings.

- The results of the various consultations that have previously been completed.
- The potential enabling development sites, previously identified.
- The Parks for People (PfP) Stage 2 bid and documents prepared to support it, including the emerging Stanmer Park Sustainable Travel Plan.
- Proposals for the long term governance of Stanmer Park and the desire to create income streams to be ringfenced and reinvested into Stanmer to ensure its financial sustainability.

3.2 In summary the Development Appraisal is seeking to: -

- Identify potential uses for the buildings which are sympathetic to the heritage of the buildings, compliment the PfP proposals, are compliant with planning policy and meet the council's objectives.
- Provide a realistic outline of the costs to repair and adapt the buildings.
- Submit development proposals for the enabling development plots.
- Identify realistic opportunities for grant funding.
- Provide income projections.
- Provide an assessment of viability taking into the account: -
 - capital funding provided by the council from the disposal of non-core assets from the Agricultural Estate,
 - potential capital receipts from the enabling development plots identified,
 - potential grant funding,
 - borrowing based on potential income streams from the scheme.

3.3 Assessment of Heritage Significance

In addition to providing a critical analysis of the heritage information and reporting provided, Savills completed a Heritage Scoping Survey to support the Development Appraisal and demonstrate that any consideration of options has been arrived at following rigorous assessment of the heritage importance and significance of the site. Individual buildings have been assessed in detail and the key constraints have been identified and taken into account when considering potential uses to ensure adaptations are sympathetic to the buildings' structure, fabric and sense of space and scale, whilst retaining the agricultural authenticity of the buildings and the wider site. Savills have considered key views within the village to be preserved and enhanced.

3.4 The dovecote (identified on the plan at Appendix 2) has been identified as a key structure to be preserved and therefore this property in addition to the long barn are key components when considering the heritage of the whole site. In addition the several buildings on the periphery of the site provide heritage value as a cluster but contain limited intrinsic heritage value if considered in isolation. All of the buildings are capable of conversion except the dovecote which due to its small footprint and location does not lend itself to alternative use. The dairy (unit 13 on the plan at Appendix 2) is of 1950's construction and whilst it plays a part in the history of the site it could be argued that its structure jars within the more historic buildings in the vicinity and that lessens their heritage value. The dairy hinders a key view into the yard from the north creating a negative impact upon the main group of structures within the yard.

3.5 Planning Policy

The conclusion drawn from the SDNPA and B&HCC planning policy review was that the proposed uses (including SDNPA offices, workshops, interpretation centre) are considered to be consistent with relevant planning policies and are likely to be supported in principle, subject to mitigating various constraints such as the heritage elements of any proposed scheme. In addition it was considered that small scale offices and/or retail – to create a small commercial hub – would be supported by policies to facilitate sustainable rural economic growth. Transport and parking is a key issue for Stanmer which is being addressed through the Stanmer Park Sustainable Travel Plan being prepared to support the Parks for People Stage 2 submission. In addition, the key planning issues to be addressed include a sensitive approach to the conversion of the longbarn and refurbishment of the dovecote in particular, and the need to maximise flexibility of use. Planning contributions will also be required through CIL or s106.

3.6 Potential Uses

The council in partnership with SDNPA has previously identified potential uses for the buildings (attached at Appendix 3) all of which are potentially acceptable in planning policy terms, without significant detriment to the heritage and conservation value of the buildings. When considering the future financial sustainability of the buildings and Stanmer Park some of the lower value uses will not contribute to the revenue streams needed to support the future maintenance and repairs and the long term survival and conservation of the buildings.

3.7 Savills have identified *Conservation Zones* within the long barn to employ a clear strategy for subdivision to enable new uses to be reasonably contained within them, lowering the impact of any change on the historic fabric. Each individual zone has been considered along with the impact of potential uses. The challenge is to ensure the uses do not interfere with the historic fabric of the barn and that services (kitchen's, WC's, heating, lighting etc.) are minimised.

3.8 Despite the dairy being cited for removal it is suggested that making use of the structure will assist the protection of the long barn and can be used to house toilets and services for the long barn. It could also house public toilets or services allowing removal of the existing WCs. Removal of the return to the east would improve a key view into the yard from the north.

3.9 The heritage value of the cattle sheds (units 15 and 16 on the plan attached at Appendix 2) is minimal which allows a greater degree of flexibility when considering new uses however, removal of these is favoured to open up the long barn courtyard exposing views of the east façade. The north east corner of the yard could provide a natural location for a café as it has an existing courtyard (for external seating) and benefits from superior views.

3.10 The western buildings including the dovecote are interconnected and in safeguarding the dovecote consideration has been given to how the adjacent buildings can be best used. It is proposed to improve and repair the buildings to include public access to the dovecot and farm buildings which could deliver visitor information, educational and interpretation space and provide meeting room, function space and class room space. It is proposed the forge remains as is with some improvements.

3.11 The requirement for livestock uses within the buildings is considered to be contrary to the need to preserve the heritage features and is incompatible with other uses proposed. Savills have recommended that the use of the modern farm buildings to the north of the village for this purpose would connect these buildings and the open countryside 'gateway' to the traditional agricultural buildings. This would enable the 'clean' uses to be accommodated within the traditional agricultural buildings with the livestock use to be linked back through the interpretation.

3.12 Costings

A baseline assessment has been provided to identify the minimum works required to safeguard these heritage assets, to keep them wind and watertight, leaving them mothballed for the foreseeable future and to provide a repair benchmark cost against which to compare the proposed development options

3.13 Four development options have been prepared, which in summary are as follows:-

- Option 1 –Long barn scheme
(See drawings attached at Appendix 4). This considered the conversion and refurbishment of the long barn, repair of all other buildings, site levelling and installation of drainage.
- Option 2 –Long barn conversion and low grade workshops scheme
(See drawings attached at Appendices 5 and 6). This is based on proposals for the conversion of the long barn, repair of northern and eastern perimeter buildings and conversion to low grade workshops or storage, repair of the existing public WC's, part demolition of dairy (the eastern return) and demolition of the covered cow yard and calf sheds, as well as demolition of buildings 14, 17 and 18, installation of concrete paving to external areas, installation of drainage, mains services and external lighting.
- Option 3 –Long barn conversion, café and high grade workshop/retail/office units and new build
(See drawing attached at Appendices 5 and 7). This is based on conversion of the long barn, with a higher specification of refurbishment given to the northern and eastern perimeter buildings, a higher level of repair to the western buildings, demolition of the existing public WC's and re-provision within the northern cattle sheds, part demolition of dairy (the eastern return) and demolition of the covered cow yard and calf sheds, as well as demolition of buildings 14, 17 and 18, erection of a café kitchen extension in the northeast corner of the yard, erection of a new building on the footprint of part of the cow yard, demolition and rebuild of part of the eastern sheds (unit 4) and an allowance for visitor interpretation.
- Option 4 – Long barn conversion and high grade workshop/retail/office units
(See drawing attached at Appendices 5 and 8). This option is a hybrid of options 2 and 3 and includes the long barn conversion and higher specification of refurbishment to the perimeter and western buildings. It also includes the demolition of the cow yard and calf shed and ancillary

buildings but excludes the new build and rebuild included in Option 3. It includes an allowance for visitor interpretation.

3.14 Funding – Enabling development

Savills have completed residual valuations for the two potential residential enabling development sites. Subject to approval, the council will need to consult with the relevant leaseholder and agree terms to secure vacant possession and achieve a positive planning consent as part of the wider scheme, to secure this capital receipt.

3.15 Funding – Disposal of non-core assets

Savills have completed additional due diligence and valuation work to provide an accurate assessment of the council's non-core agricultural assets identified, which can be disposed of to support the funding of the Stanmer project, including the redevelopment of the buildings. Given the revised development costs for the Stanmer traditional buildings, the contribution of this net capital receipt is being reconsidered to ensure funding levels are sufficient. Due to the potential risks and long timetable associated with grant funding, the approach recommended is to maximise the use of the council's capital receipts and direct 100% of this capital receipt to support the Stanmer project and the proposed redevelopment of the traditional agricultural building.

3.16 July 2014 Policy & Resources authorised disposals, from which 50% of the net capital receipt is used to support investment in the corporate capital investment strategy and 50% is to be used to support the Stanmer project. The estimated value of these disposals was refined in February 2016 Policy & Resources following up to date valuations and has been further refined, of which 50% is to support the Stanmer Project.

3.17 Funding - Borrowing

The level of borrowing for each option has been calculated assuming up to 75% of the projected income is available to repay borrowing over 15 years.

3.18 Funding – Grant funding

A number of grants have been identified that may be available and the ability for the council to qualify will need to be established. Those that have been identified include: -

- Countryside Stewardship HE2: Historic building restoration
- LEADER – Coasts to Capital
- Heritage Enterprise – Heritage Lottery Fund
- Town Heritage – Heritage Lottery Fund

3.19 Savills advise the Heritage Enterprise scheme is a good fit and the council should not be discouraged by the previous failed attempt, particularly as additional Heritage advice received subsequent to the previous application may well bolster any future application. Heritage Enterprise is designed to bridge the funding gap that prevents a historic asset in need of repair from being returned to a beneficial and commercial use. The case for grant funding will depend on there being a *Conservation Deficit*, where the existing value of the heritage asset plus the cost of bringing them back into use is greater than the value of the asset after development has been completed. It is preferred not to go for grant funding due

to resource requirements, uncertainty and timing implications of the process. The application process is a 2 stage one, which can take up to 3 years or more.

3.20 Timeframe

Consideration has been given to the timing of delivery of the various options. All of the options except for the Repair scheme involve liaison with stakeholders and statutory consultees as part of the planning process. Options 1, 2, 3 and 4 are likely to be eligible for submission of a grant application to assist the funding though such a process will lengthen the timeframe by 3 years or more. It is these external factors that may delay progress as the council is not in control of the timing of the planning or grant application process.

4 **ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

4.1 Repair proposal

The repair proposal has considered the costs of the minimum works required to put the buildings into good repair and make the buildings wind and watertight.

Benefits

- Can be wholly funded from the proposed disposal of the non-core assets identified from the council's Agricultural Portfolio.
- Planning permission not needed.

Disbenefits

- Would not improve the buildings to allow increased occupation. The buildings that are currently vacant would remain so. This option merely puts the buildings into sufficient repair to allow them to be mothballed.
- The council would have a continued liability for security and maintenance.
- There would be no potential for achieving further income.
- Does not achieve the objectives.
- Cow barn and calf shed remain in situ.

Risks

- Is not financially sustainable in the long term. The buildings will require further investment or disposal.
- Does not support the Parks for People bid.
- Does not provide financial support for Stanmer Park.

4.2 Option 1–Long barn scheme

This proposal would bring the long barn only up to a level of refurbishment to allow its occupation, to include occupation and co-location of the council and SDNPA.

Benefits

- Puts the long barn into beneficial use to provide Area Office for SDNPA and office space for B&HCC allowing co-location.
- Relocation of SDNPA from current portacabin location and B&HCC from Stanmer Nursery allows Parks for People proposals to progress.
- Meets some of the higher priority objectives of the Stanmer project including provision of a visitor's centre and interpretation facilities and function room/community space.

- Can be wholly funded from the proposed disposal of the non-core assets identified from the council's Agricultural Portfolio.

Disbenefits

- The remaining perimeter buildings which are currently vacant would remain so.
- The liability for the security and maintenance of the perimeter buildings would remain with the council.
- A number of the objectives are not achieved.

Risks

- Due to the limitations of this scheme it may not achieve planning consent or grant funding on heritage grounds.
- Does not provide a significant income to support the sustainability of Stanmer Park.

4.3 Option 2 – Long barn low grade workshop scheme

This would allow the occupation of Long Barn and all other buildings.

Benefits

- All buildings would be occupied.
- The income would contribute to the financial sustainability of the park.
- A service charge would remove the repair and maintenance liability from the council to the occupiers.
- The level of proposed development would improve the quality of the heritage offer by removing some of the buildings which do not contribute.
- Public access would be provided to the dovecote in conjunction with improved access for interpretation and educational use of the buildings.
- Meets all objectives.

Disbenefits

- Potential income not maximised.
- Low specification of perimeter buildings does not allow flexibility of use.
- Borrowing required.

Risk

- Conversion may not meet market requirements.
- Planning and listed building consent required.

4.4 Option 3 – Savills long barn conversion scheme with café and high grade workshop/retail/office units including new build elements

This option assumes maximum development.

Benefits

- Flexible accommodation which will improve marketability in the long term and therefore maximise occupation rates and income.
- New build optimises potential for commercial space.
- High income uses, including a café included.
- Significant income to support sustainability of Stanmer.
- Service charge would remove the repair and maintenance liability from the council to the occupiers.

- Quality of the heritage offer would be improved by removing some of the buildings which do not contribute and providing public access to the dovecote.
- The demolition of the public WC's and inclusion of visitor centre and interpretation would further support and improve the heritage value for visitors.

Disbenefits

- Significant capital expenditure which will, in addition to the capital funding recommended require borrowing and grant funding.
- Grant funding will lengthen time frame for development.

Risk

- Grant Funding may not be approved.
- Greater risk associated with planning, in relation to new build.

4.5 Option 4 - Long barn scheme and high grade workshop/retail/office units

This option provides for a higher specification in the refurbishment of the perimeter buildings to maximise the flexibility of these units whilst excluding most of the new build proposed in Option 3.

Benefits

- Meets all objectives.
- Flexible accommodation which will improve marketability in the long term and therefore maximise occupation rates and income.
- High income uses included.
- Significant income to support sustainability of Stanmer.
- Service charge would remove the repair and maintenance liability from the council to the occupiers.
- Quality of the heritage offer would be improved by removing some of the buildings which do not contribute and providing public access to the dovecote.
- The demolition of the public WC's and inclusion of larger visitor centre and interpretation would further support and improve the heritage value for visitors.

Disbenefits

- Borrowing required.

Risks

- Planning and listed building consent required.

4.6 Main Risk

In the absence of a commitment to further invest in the buildings to support the Stanmer project and meet the council's objectives, disposal of the buildings to an organisation entrusted to maintain them in the long term would remove the ongoing maintenance and security liability from the council. Prior to any transfer the council may be required as a minimum to put the buildings into an agreed state of repair and may also be required to provide additional ongoing financial support to ensure the financial sustainability in the short term. Depending on the terms of the transfer this would remove control of the buildings from the council

and their future use may not therefore meet the council's objectives or those of the Stanmer project. This may be a threat to the success of the PfP bid.

5 COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The council has worked in partnership with SDNPA on the proposals for Stanmer and that partnership has more recently been extended to include Plumpton College. Partnership meetings for the Stanmer project, which includes the Parks for People bid include our partners as well as representatives from Historic England.
- 5.2 Extensive public consultation on the buildings was completed in 2011, the results of which were documented in the report presented to Cabinet on 19 April 2012.
- 5.3 Council officers have attended the Stanmer Stakeholder meeting and have provided updates to the meeting on progress being made.

6. CONCLUSION

- 6.1 In considering the financial viability of the development of the buildings a detailed analysis of the heritage value of the buildings and the planning policy has been undertaken. Potential uses have been considered and 4 development options have been developed as well as a repair option, and costings estimated. The evaluation has identified Option 4 as the recommended development proposal.
- 6.2 Funding sources have been identified including the disposal of non-core assets from the agricultural portfolio, enabling development sites within Stanmer, borrowing and grant funding, in addition to 50% of the net capital receipt from disposals approved in July 2014. In order to remove the reliance on grant funding which has associated risks of uncertainty and timing it is proposed that the total net capital receipt from the disposals recommended in this report be used to support the Stanmer project. The financial viability of each option scheme has been considered on this basis. Options 2 & 4 will rely on borrowing in addition to capital funding. Option 3 will also require grant funding in order to be viable.
- 6.3 In identifying the benefits, disbenefits and risks of each option, in addition to financial viability, consideration has also been given to the income potential to support Stanmer Park in the long term, the ability to meet the objectives of the Stanmer project and support the Parks for People bid and the heritage value of the development proposals. The review recommends option 4 as the preferred proposal with supporting funding as detailed in the part two report.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 Four development options have been identified within this report each with varying degrees of capital investment requirements which are set out in the Part 2 report. The preferred option 4 will require a combination of capital unding from the disposal of assets identified in the report to Policy & Resources in July 2014 (50% of the net disposal value), plus additional assets identified in the Part 2 of this report included on this agenda (up to 100% of the net disposal value) plus

potential contributions from two potential residential enabling development sites. Council borrowing will be required to meet the funding shortfall with the financing costs associated with the borrowing being met from the income streams generated from the Long Barn and high grade units within Stanmer. The remaining income stream will be used to support the investment and maintenance of the Stanmer site. Further work will be undertaken to explore the possibility of grant funding to support the ongoing development of the site.

Finance Officer Consulted: Rob Allen

Date: 24/06/16

Legal Implications:

- 7.2 With reference to recommendation 2.2 and 2.4 that non-core agricultural assets be disposed of; the Council has general powers to dispose of land under section 123 of the Local Government Act 1972 and provided it does so for the best price reasonably obtainable then no special consents are needed. Planning permission will be required for various proposals referred to in this report.

Lawyer Consulted:

Name Joanne Dougnaglo

Date: 27/06/16

Equalities Implications:

- 7.3 An Equality impact Assessment has not been carried out.

Sustainability Implications:

- 7.4 Sustainability implications will be considered in detail as the development proposals for the buildings are further refined.

Crime & Disorder Implications:

- 7.5 The retention of the buildings unoccupied places a liability on the council to secure and maintain them and protect them from vandalism and damage.

Corporate / Citywide Implications:

- 7.6 The redevelopment of the buildings supports the Parks for People bid as part of the Stanmer masterplan.

SUPPORTING DOCUMENTATION

Appendices:

1. Location Plan
2. Site Plan
3. Stanmer Park Masterplan Objectives and Potential uses for the buildings
4. A. Option 1 long barn
B. Option 1 site
5. A. Option 2, 3, 4 long barn GF
B. Option 2, 3, 4 long barn FF
6. Option 2 site
7. Option 3 site
8. Option 4 site

Documents in Members' Rooms

None

Background Documents

1. Cabinet report Stanmer Park – Traditional Agricultural Buildings Update 19 April 2012
2. Policy and Resources Committee report Stanmer Park Master Plan & Application for HLF Grant Funding 11 July 2014
3. Policy and Resources Committee report Stanmer Park Programme: Update and Next Steps in Relation to Funding, Home Farm Redevelopment and Management Structure 11 February 2016

