

Mill Lane Development Land Options appraisal, Development brief and SCRIF Business Case

1. Introduction.

In 2013, NEDDC acquired the former Coal Products Limited (CPL) site in Wingerworth, Chesterfield to relocate the Council's head office, as an investment in development land, and to contribute to the wider regeneration of the Avenue area. . The site forms part of the Homes and Communities Agency (HCA) regeneration scheme (http://www.theavenueproject.co.uk/public_consultation.aspx)

NEDDC require consultancy support to deliver the following:

- Options appraisal and determination of the preferred option for site access/infrastructure and planning uses.
- Production of a Development brief for the site based upon the above mentioned options appraisal and existing studies such as AASF, Site investigation, Local Plan, etc.
- Sheffield City Region Investment Fund (SCRIF) business case for the proposed access road.

2. Status of the documents

Currently, the land in NEDDC ownership is allocated for mixed use. The AASF doesn't extend to include Rykneld's offices or the visitor centre, so this exercise presents an opportunity to shape policy for the long term and for the whole of NEDDC's land ownership. It is not expected that the options appraisal will become SPD. The most effective way of securing future development in accordance with the recommended options is through the Local Plan. The timing is fortunate as a major consultation exercise on the Local Plan is underway which presents an ideal opportunity to inform the emerging Local Plan and embed the preferred options.

It should be noted that the Development brief will be completed and used to promote the site to the market, at the earliest opportunity, ahead of the adoption of the Local Plan.

3. The scope of the work (Land)

The brief will consider the red line area identified in appendix A, which is made up of several parts:

Mill Lane development land ('the site'). This site is the main focus of the work however, it is critical to consider the wider context of both wider NEDDC ownership and the overall Avenue project outlined in the AASF.

Council Offices - The council have recently invested in the former CPL head office to upgrade and convert the site into the Councils main offices. In doing so, the medium

term (10 to 15yrs) use for the building should be considered as the Councils head office. However, options for the redevelopment of the offices in the long term could be considered to support the strategic land use across the whole area.

Pioneer House – This is the main office for the councils ALMO (Rykneld Homes) and ICT function. The Council has agreed to include this site into the brief to enable a strategic review of land uses for the long term benefit of the area, following discussion with Rykneld Homes.

HCA Land – The HCA have agreed in principle that they would consider land swaps if required to create more uniform development plots and maximise developable areas. In addition to this, and to align the brief with the SCRIF bid (see below), the brief will also cover the HCA employment land as indicated in appendix D.

4. The aim

The options appraisal and subsequent development brief should address and provide clarity on the following issues:

(i) Options appraisal report

a. Highways/Infrastructure options appraisal and preferred option:

The appraisal should offer options (based on access options to the site from the A61) and these should be ranked against deliverability and viability.

Consultancy support with regards highways is in two parts:

Supporting short-term development –

An assessment of the existing infrastructure should be undertaken to determine the level of development which can be brought forward on the development site without the need for 3rd party land or significant infrastructure improvements. Consideration should be given to the demand on existing infrastructure through the previous use by CPL and their predecessors. The purpose of this is to identify an opportunity for enabling development or phased disposal, which would not prejudice, implementing a successful SCRIF fund and the wider development of the site as per the option appraisal.

Supporting the strategic development of the site –

The options appraisal and subsequent development brief should be based upon the access road alignment developed as part of the SCRIF bid and ensure the appropriate connections between this access road and the potential development sites in the ownership of NEDDC and the HCA.

Appendix B identifies the potential junctions which are to be assessed as follows:

AASF Northern Access - The northern access to The Avenue as identified in the AASF.

Nottingham Drive - Identified as the preferred option in the AASF southern access but includes 3rd party ownership.

Mill Lane - The existing access to the development land and is the historic to the site also.

Halcyon Approach - An existing access to Mill Lane via Adlington Avenue

The options appraisal needs to include the highway capacity (Existing and with improvements) to support the overall development. Any highway options developed with the need for infrastructure improvements should be:

1. Be supported by the highways authority
2. Be viable and deliverable

It should be noted that B, as outlined above, is the preferred option agreed with all stakeholders during the development of the AASF. Appendix C identifies the latest proposals from Taylor Wimpey for this access. However, if more viable and deliverable options are evident which gain support from the Highways Authority NEDDC will consider alternative options.

- b.** Appendix D provides the latest information on the extent of the highway and ownership around the area the junctions. Further information will be required from the Highways Authority to support the development of the brief. **Planning use options appraisal and preferred option:**

In determining the preferred option, it is important to work with Planning, Economic Development and Housing colleagues in addition to key documents such as the AASF, Local Plan, Economic Development and Housing Strategy, etc to ensure the preferred option meets the strategic growth and regeneration requirements of the Council, align with demand for the specified uses, whilst maximising the potential receipt from the development land.

The council requires a substantial receipt from the development in the short term (1 to 2 years) therefore; consideration of enabling/phased development should feature in the overall approach. This should also be a consideration in the highways appraisal. The uses proposed should be where possible high value with demonstrable demand. Any development opportunity identified for the short term should not compromise the coherent and comprehensive redevelopment of the wider area, in line with the aspirations contained within the AASF, nor should it place future receipts at risk by blighting or potentially sterilising adjacent land.

The options also need to align closely and not conflict with the principles and aim of the recently submitted SCRIF bid.

(ii) Development brief

A development brief should be developed to both support the marketing of the site and inform the emerging Local Plan and consider the following:

Preferred option:

The brief should present a scheme which aligns to the preferred options as determined through the options appraisal.

Planning contributions:

The brief should seek to clarify the expected planning contributions related to the development. These should be negotiated with planning colleagues on a commercial basis to maximise the receipt and ensuring the requirements are not onerous resulting in risk to the prospective developer.

Contamination:

There is likely to be a contamination related stigma associated with this development due to the historical uses and The Avenue (wider site) is known to have been heavily contaminated. However, the levels of contamination present when NEDDC acquired the site and remediation works recently undertaken, the contamination levels will not be a constraint for the majority of uses including residential and commercial. White Young Green (WYG), Nottingham are NEDDC consultants on the remediation of the development site therefore, consultation with WYG as to this matter is essential.

Ecology:

WYG have also undertaken ecology assessments on the development site therefore, consultation with WYG should provide a summary to include in the brief.

Design Quality:

The brief should outline the desired design quality for the development site as identified in the AASF.

Phasing:

The brief should identify any possible phasing in accordance with the options appraisal specifically, highways infrastructure and enabling development.

Deliverability:

The brief once complete, should be attractive, deliverable and positively address all the likely concerns of any potential developer interested in the site. It should also, promote the benefits of the location, stress NEDDC's aspirations for high quality development, the opportunity the wider Avenue site provides in terms of amenity, providing commentary on local demand for the uses and also an indication of value.

(iii) SCRIF bid

To support the SCRIF Bid specifically, the following additional work is required beyond that of the options appraisal in sections 4(i) and 4(ii). This is to directly inform the funding application. Appendix E shows the road alignment which supported the SCRIF expression of interest. It is acknowledged that in consideration of further works associated with both the Highways and Options Appraisals the road alignment will evolve.

The Strategic Case

For options that are deemed unviable in the options appraisal, the proposed level of public funding to create a viable option should be identified, stating the reasons that without public funding the scheme would be unviable. This should apply to the highways infrastructure and uses on site.

The Commercial Case

The SCRIF bid states how an access road will open up development land that will deliver a total of 10000sq m of B1/B2 space, and 200 houses (5000sq m and 50 houses by April 2018 and the balance by 2024).

Documentable evidence is now needed, from Tibbalds on evidence of discussions with property agents, developers, inward investment agencies etc. to demonstrate a demand for the type of workspace and housing proposed above.

The Financial Case

More certainty on cost is needed: (the current estimate includes a contingency of 44%, this now needs to get down to closer to 10-15%) This applies only the road infrastructure.

Liaison with DCC is essential and they may lead on this cost exercise with support from Campbell Reith once the preferred route is confirmed. In addition, commuted sums for adoption and maintenance, are required for the bid Stage 1B.

The current SCR advice is that the infrastructure work will need to commence by March 2016 and be complete by March 2018.

Deliverability Risk Appraisal

A due-diligence assessment of the key delivery elements in order to provide the recommendations on the deliverability of the scheme options and any associated risks. This includes key elements associated with practical delivery – such as the risks around planning permission, securing ownership or access to the land to construct the project/option, and any other site constraints. This work will include analysis of the physical deliverability of the scheme, and basing the deliverability score based on evidence of:

- Land ownership issues
- Planning permissions needed
- Existing legal agreements or possible agreements; including any penalties or risks around them
- Site work requirements

Economic Viability Appraisal

The Economic Viability of the options (should consider a cost benefit analysis implication for the Council) will consider for example:

- Estimating actual costs from likely scheme developers/contractors
- Consideration of land costs and whether land has already been acquired
- Development costs (site preparation, demolition, refurbishment, decontamination, infrastructure and engineering works, construction costs for new build). This should include
 - on and off site costs;
 - Planning obligations such as contributions towards affordable housing, transport works, education/social infrastructure etc. (S106 contributions and CIL).
- Likely professional fees from design through to implementation and sales/marketing
- Finance funding costs e.g. the phasing of development
- Returns e.g. end sale values/rental returns where applicable
- Long term ownership and maintenance/management issues
- A description of any financial savings and efficiencies achieved through any particular option.

3. Objectives

It is proposed that the options appraisal and subsequent development brief satisfies the three key objectives:

- In light of the HCA's November 2013 planning application (13/00386/OL), review the AASF and propose a development scheme for NEDDC owned areas which facilitates a comprehensive, sustainable and long term regeneration of the Avenue Area through high quality mixed-use development.
- To provide a key supporting document which facilitates a series of capital receipts for NEDDC over the short and medium term.
- To support the SCRIF bid and other future funding opportunities as they emerge

In delivering the objectives above, the following should be considered:

- AASF:
<http://www.ne-derbyshire.gov.uk/environment-planning/planning/planning-policy/avenue-area-strategic-framework/>

- Local Plan & emerging Local Plan:
<http://www.ne-derbyshire.gov.uk/environment-planning/planning/planning-policy/local-plan-2011-2031/>
- Economic Development and Housing Strategy:
<http://www.ne-derbyshire.gov.uk/housing/strategic-housing-service/housing-and-economic-development-strategy/>

4. Timescales

Please provide a project plan for the delivery of this document including proposed allowing for the appropriate consultation with council departments and partners such as DCC and the HCA. To meet the timescales of the emerging Local Plan the development brief target completion date should be 31st July 2015.

Flowchart

Appendix F shows the anticipated process for the completion of the work identified (Exc. SCRIF) within this brief and where NEDDC decisions are required.

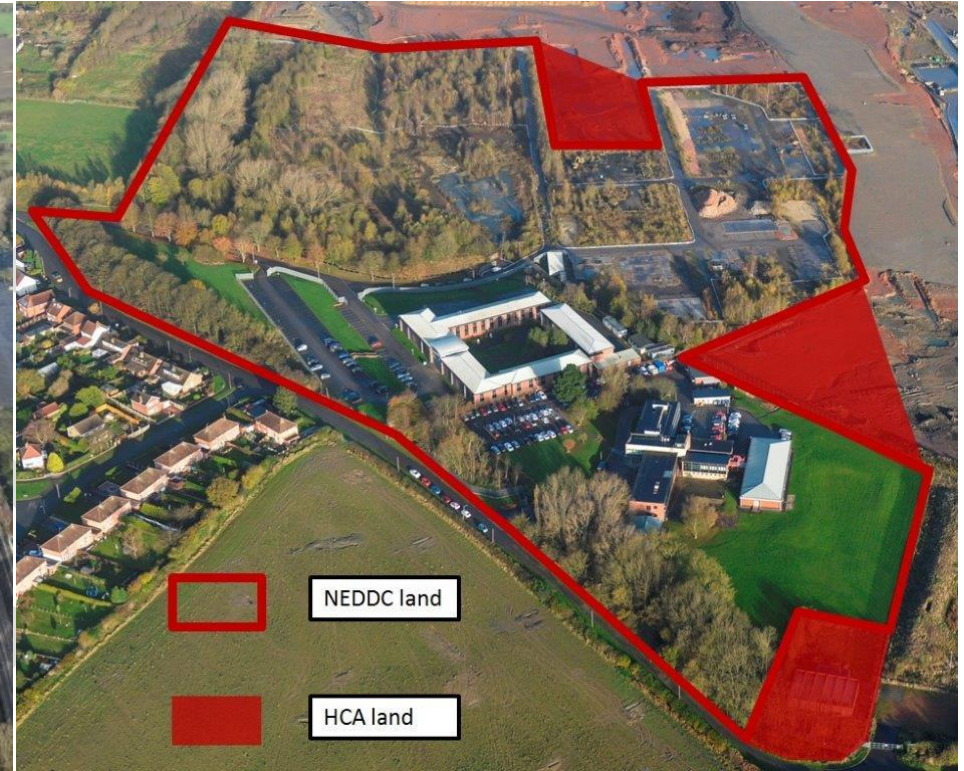
6. Fees

The fees and associated appointment for this work will be in accordance with the 'Development Land Consultancy' appointment letter dated 15 September 2014. Please ensure the fee proposal clearly reflects the associated schedule of rates and that any third party surveys required are supported by three written quotes.

Please provide a fee quote broken down in to the following elements:

Description	Cost Exc VAT
Highways/Infrastructure Appraisal: 4 (i) (a)	
Planning Use Appraisal: 4 (i) (a)	
Production of the Development Brief: 4 (ii)	
SCRIF Bid: (iii)	

Appendix A – Scope of the works and Ownership

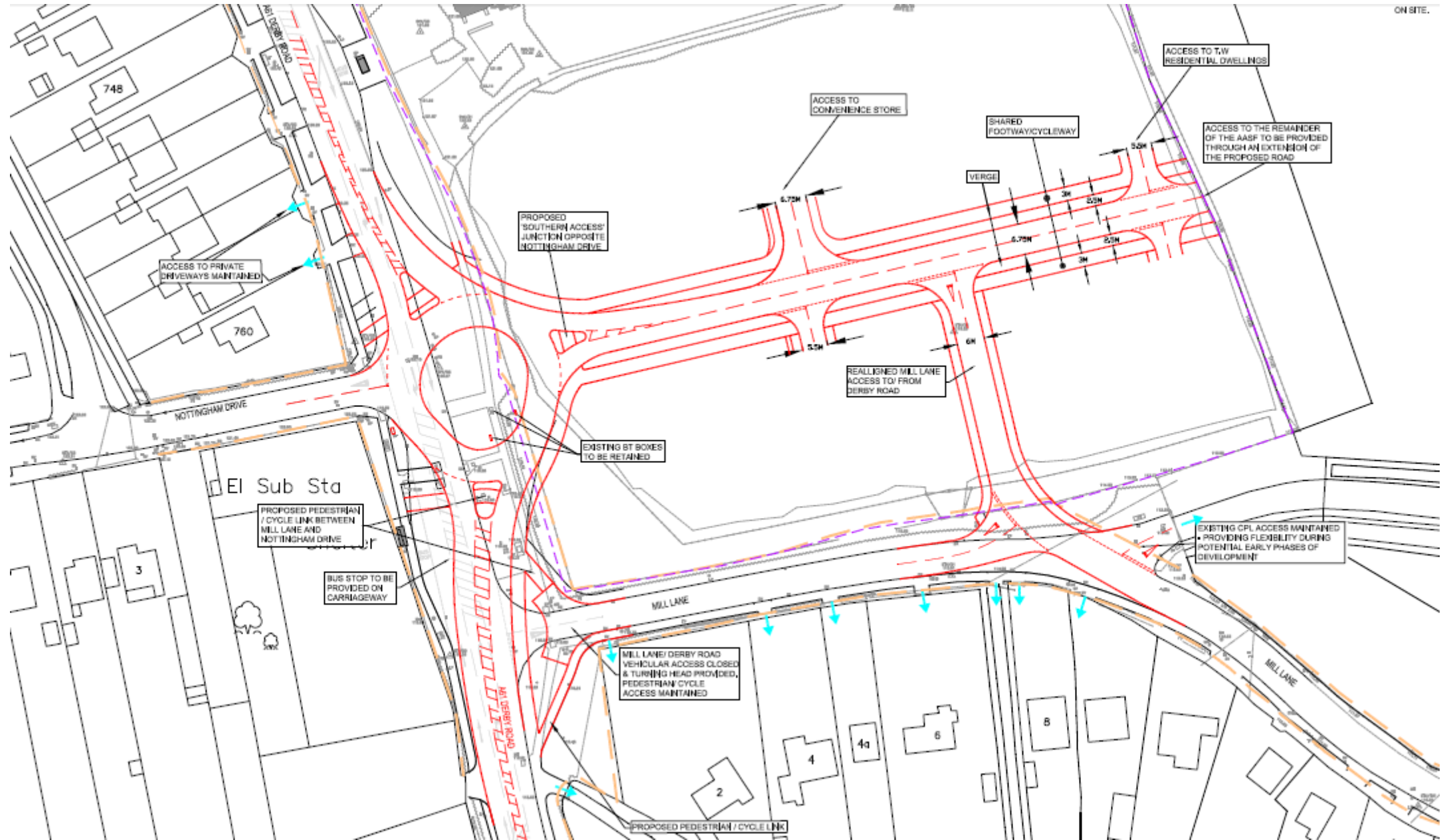


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Appendix B – Junctions



Appendix C – Latest TW junction proposal



Appendix D – Adopted Highway



The margins on Mill Lane (both north and south of the carriageway) near the Derby Road junction are shown as part of the public highway and some of the land appears to have been dedicated to the Council for highway purposes. Similarly the verges and footway on the eastern side of Derby Road to the north of the Mill Lane junction are also shown as highway. Further north (opposite the layby) the highway boundary pretty much coincides with the turquoise land (owned by the Department for Transport) on your plan (with the exception of a small triangle immediately north of the garage site). When the A61 was de-trunked the title of this land should have been transferred to DCC and I'll be pursuing this with our legal team and the Highways Agency.

Appendix E – Expression of Interest, Scrif Road Layout



Appendix F – Flow Chart

