

Central Car Park and The Maltings, project update for Salisbury Area Board, 8 January 2015

Overview

- This top-line briefing note has been prepared to update Salisbury Area Board about the current status of the Central Car Park and The Maltings scheme.
- It follows previous written updates and also the presentation by Stanhope, Panter Hudspith Architects and Redwood (who will manage future community consultation) on 20 March 2014.

General update and recent activity

- Stanhope continues to work very closely with Wiltshire Council to progress the development of the site, however it has been necessary to extend the anticipated development timescale.
- This has been conveyed publically through the local media, in a joint statement issued by Wiltshire Council and Stanhope on 10 December 2014.
- This statement is as follows:

Wiltshire Council and Stanhope statement:

The redevelopment of the Central Car Park and The Maltings site will deliver a step-change in Salisbury's retail and leisure offer, driving growth while reducing the significant amount of spending currently lost to competing destinations and out-of-town retail. Both Wiltshire Council and Stanhope are committed to delivering these benefits for Salisbury.

Following a detailed site investigation, Wiltshire Council and Stanhope are currently working to ensure that all relevant points regarding ground conditions are comprehensively addressed and a solution delivered.

Major urban redevelopment on this scale always meets unforeseen issues but we are working hard to overcome them. It does mean however an extension to the anticipated development timescale.

In addition, the Maltings Shopping Centre, within the proposed second phase of development, was recently acquired by a major property investor and it is now important that the council and Stanhope talk with the new owners to fully understand their plans before moving forward.

The council and Stanhope recognise the very high level of local interest in the emerging proposals and will carry out further consultation with the

local community at the earliest possible opportunity, and before a planning application is submitted.

This major redevelopment presents a once-in-a-generation opportunity and the council and Stanhope will ensure that the best possible scheme for Salisbury is delivered.

- This statement has been supplemented by additional information from Wiltshire Council, as follows:

In relation to land quality:

“A wide range of materials such as building rubble and soils were brought to the site. As this material was not sorted or cleaned when it was imported there are areas that are likely to need containing to ensure in-situ materials cannot cause problems as a result of the development process. This is entirely manageable and common on a site of this type, but is likely to impact upon the extent of ground-works and the foundation costs.”

In relation to the recent acquisition of the Maltings Shopping Centre:

“The opportunity arose to purchase the investment when Land Securities / Sainsbury put the investment on the market.

“There was a good case for the Council to purchase the interest, not only because it is already the freeholder of significant parts of the Maltings Shopping Centre but also because it would have enabled the Council to secure more direct control of this asset which could only have been of help in delivering its comprehensive regeneration goals for the area.

“The benefits of this were discussed by the Council’s Cabinet and it was agreed that a purchase could proceed if the offer made by the Council (based upon commercial advice received) was accepted. The purchase itself was to have been funded using borrowing, the costs of which would have been covered by the income stream produced by the asset. Based upon the financial modelling that had been undertaken prior to making a bid, analysis showed that there would have been no direct cost to the Wiltshire Council taxpayer.

“As it transpired there was significant interest in the investment opportunity, and the Council was ultimately out bid. As a public body the Council must balance commercial considerations with its obligations to protect the public purse. In highly competitive bidding situations such as this, the Council will have less flexibility to take financial risk than private sector organisations and thus can find itself unable to reach the necessary price premium to secure the asset.

“TIAA Henderson were the successful bidder and the deal completed in November at a price reportedly approaching £25m. This was nearly 25% above the asking price (of £20m).

“Whilst the Council is naturally disappointed that its bid was unsuccessful it is pleased that investors have shown such market-beating confidence in Salisbury as a retail destination and in the Maltings area itself. The Council and Stanhope are looking forward to working with the new owners and will continue to progress plans for the regeneration of this important part of Salisbury City Centre.”

Next steps and public consultation

- Both Stanhope and Wiltshire Council are very mindful of the high level of interest in the future of the site and the corresponding importance of undertaking further public consultation before a planning application is submitted. This has been the case from the very outset and remains so.
- Previously, at the 20 March 2014 presentation, it was explained that the intention was to hold a further public exhibition in autumn 2014. Clearly this has not been possible in light of the above. Consultation involves much more than a public exhibition however, and dozens of meetings have taken place with a very wide range of local organisations – these will continue.
- Importantly, it was also emphasised at that time that the next public exhibition must be meaningful. It will only take place at the right time when there is a suitable level of detail to show the local community, even if that means it takes place later than originally planned.
- As with the previous public exhibition, this will be very well-publicised in advance, will be staffed throughout by Stanhope’s project team who will be on hand to discuss the information shown, and there will be an opportunity to provide written feedback – which will again be given very careful consideration.

Area Board

- Once again, Stanhope would like to thank the Area Board for the opportunity to provide this update. Stanhope looks forward to working with Wiltshire Council to provide a further update as soon as possible.