

## **Wiltshire Council**

### **Cabinet**

**30 January 2018**

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**Subject: Proposed development of Council owned land at Sadlers Mead, Chippenham**

**Cabinet Member: Councillor Baroness Scott of Bybrook OBE – Leader of the Council**

**Key Decision: Yes**

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#### **Executive Summary**

The report sets out the principle of developing Wiltshire Council owned land at Sadlers Mead car park as Phase 2 of the LGF funded Chippenham Station Hub project.

#### **Proposals**

That Cabinet:

- i) Approves the proposal for developing the Sadlers Mead car park at Chippenham.
- ii) Delegate authority to the Director Economic Development and Planning, in agreement with the Chief Finance Officer and the Head of Strategic Assets and Facilities Management with the Cabinet Member for Economic Development and Housing and the Cabinet Member for Finance, Performance and Risk to oversee project development and delivery (including any disposals).
- iii) Members to delegate authority to the Corporate Director for Growth Investment and Place, in agreement with the Cabinet Member for Corporate Services, Arts, Heritage and Tourism, and the Cabinet Member for Finance, Procurement, ICT and Operational Assets, to dispose of the asset.

#### **Reason for Proposals**

To enable the development and delivery of Phase 2 of the LGF funded Chippenham Station Hub scheme, which in line with the masterplan, will provide high quality commercial office space and increased car parking at the site. To enable the Council to have detailed discussion with potential end users of the office development. To secure best value for the Council through the development opportunity created by the LGF funding.

**Alistair Cunningham - Corporate Director: Growth, Investment and Place**

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### Purpose of Report

1. To seek approval for the proposed redevelopment of Sadlers Mead car park in Chippenham as Phase 2 of the Chippenham Station Hub scheme, including the options of disposing of the site to attract private investment.

### Relevance to the Council's Business Plan

2. Chippenham is a principal settlement in the Core Strategy and a focus for new development and regeneration in Wiltshire. The Station Hub redevelopment will contribute to the Business Plan priority *to boost the local economy* through the regeneration of a strategic site.
3. The redevelopment of a strategic site within Wiltshire Council control will contribute towards the core vision of the Business Plan, to create stronger communities. The section of the Business Plan, 'Growing the Economy' includes reference to 'Public land released for homes and jobs' and 'Regeneration of town centres' (with specific reference to Chippenham).
4. The Swindon and Wiltshire Growth Deal provides capital investment towards a range of infrastructure projects that underpin our economy, including highways improvements, urban regeneration and business and economic development.

### Background

5. The Chippenham Central Area Masterplan identifies the station area as a key development opportunity to address issues such as improvements to the station, connectivity, office and residential as well as intensification of car parking. This masterplan is reflected in the Wiltshire Core Strategy (see Policy considerations for more detail).
6. On 7 July 2014 the Coalition Government announced the first wave of Growth Deals, providing funds via the Local Growth Fund (LGF) to Local Enterprise Partnerships (LEPs) for projects that support economic growth. Growth Deals bring together infrastructure, housing, and skills funding into a single pot.

7. Prioritisation work undertaken by the Swindon & Wiltshire Local Enterprise Partnership (SWLEP) during 2014, in line with the Strategic Economic Plan (SEP), identified a range of projects which would be delivered through the LGF, including the Chippenham Station Hub project, which secured a conditional allocation of £16m through LGF, to be matched by £16m in private investment and £2m of local contributions.
8. It is proposed to initially allocate £4.0m of the LGF funding towards Phase 2 of the scheme.
9. A Strategic Outline Business Case for the Chippenham Station Hub scheme was developed by WSP in 2016 following a competitive tender overseen by the Corporate Procurement Unit. In 2017 the Outline Business Case was produced by WSP and GVA, again following competitive tender.
10. Following completion of a Strategic Outline Business Case for the LEP in 2016, and more recently an Outline Business Case, the project will now involve the development and submission of planning applications to enable scheme delivery.
11. The phased delivery of the scheme was presented to the LEP in November 2017 and received approval. It was agreed that the breaking up of the scheme into separate projects was a logical way to deliver the project in a flexible fashion, taking forward early phases as opportunities present themselves. The outline business case for the overall scheme will be presented to the LEP Board in January 2018.
12. Phase 1, which provides station and access improvements, is currently being delivered by GWR. Part A will be complete by January 2018 and Part B will be delivered throughout 2018.
13. Following planning and listed building consent with Phase 1 and a pre-application process for the wider scheme, a planning application will now be developed for delivery of Phase 2 on the Wiltshire Council owned Sadlers Mead car park site.
14. The car park site (see Appendix 2) is a 0.54 acre (0.22 ha) site, located in central Chippenham, close to the rail station. As Phase 2 of the overall scheme, the Sadlers Mead site could provide commercial office space and increased car parking provision.
15. A local business seeking new premises in Chippenham has shown interest in the proposed commercial office space on the Sadlers Mead site. Other Chippenham based businesses have also expressed an interest in the provision of new, high quality commercial space.

### **Main Considerations for the Council**

16. The proposed development would provide high quality commercial office space and re-provision of current car parking spaces (including an uplift in parking numbers).

17. It is proposed that one planning application would cover the commercial office space and the decked car parking.

18. A number of disposal options are being explored for the section of the site where the office development is planned. These disposal options are highlighted below and will be further appraised as the project develops:

- Do Nothing
- Sale of the freehold to an intended / identified purchaser
- Put the site on the market for freehold disposal
- Wiltshire Council construct and build the office and lease via open marketing exercise
- Wiltshire Council construct and build the office and sell via open marketing exercise

19. Phase 2 is the planned next stage of delivery of the overall scheme and can be delivered with no other direct dependencies, allowing for early outcomes which are not dependent on third parties. Phase 2 will add momentum to the scheme, potentially leveraging in private sector investment and raising the profile of the overall scheme to developers who will be interested in delivering futures phases.

20. An ambitious timeline has been set in the expectation that Phase 2 can be delivered by early 2020.

OBC signed off by LEP Board	January 2018
Planning submission	May/June 2018
Commencement of works	Early 2019
Completion of works	March 2020

21. As stated previously, current plans for the commercial development model of Phase 2 remain flexible. Further detail would be developed and presented to Cabinet for approval. Currently it is expected £4.0m of the LGF funding would be used as part of development costs.

### **Policy Considerations**

#### Swindon and Wiltshire LEP – Strategic Economic Plan 2014, updated 2016

22. The SEP recognises that "the Chippenham Masterplan aims to unify key development sites, improving access and connectivity and significantly expanding the retail and leisure offer including a major transport Hub around the station, a redeveloped college site, hotel and community campus".

23. The SEP also recognises that "enabling growth in Town Centres will help to build the critical mass of activity needed to support improved public transport and sustainable travel. The Growth Deal is about accelerating the delivery of planned improvements that will enhance the experience and perception of the main Town Centres. This can be achieved by:

- Funding the infrastructure needed to accelerate key developments in the Town Centres;
- Investing in transport packages to improve access in and around the Principal Centres, including more sustainable forms of transport; and
- Investing in employment site infrastructure to enable businesses to relocate from Town Centre sites, freeing land for housing and providing them suitable space to grow."
- Investment opportunities are to be channelled through the three Growth Zones set out in the SEP. Chippenham is included in both the Swindon-M4 and A350 Growth Zones.

24. The Strategic Objectives relevant for Chippenham within the Swindon-M4 Growth Zone include:

25. Strategic Objective 2 promotes investing in transport infrastructure improvements that would support economic and planned development growth at Key Growth Zones. Chippenham lies in both the A350 and Swindon-M4 Growth zones and shares the following Priority Action plans:

- Deliver packages of integrated transport schemes to support the regeneration plans for Chippenham.
- Deliver the master plan for the regeneration of Chippenham.

26. More specifically the growth strategy is focused on "accelerating the development of a new Station Hub; unlocking the growth of Langley Park; and transport investments to support growth across the area".

#### Wiltshire Core Strategy (January 2015)

27. The Wiltshire Core Strategy sets out the strategic vision for delivering sustainable growth over the period up to 2026. Its main aims are to deliver a minimum of 42,000 new homes and create up to 27,500 jobs.

28. Chippenham is identified in the Core Strategy as a 'Principal Settlement' (Core Policy 1) because it is "a strategically important centre and primary focus for development", alongside Trowbridge and Salisbury.

29. Core Policy 9 identifies Chippenham Central Areas of Opportunities (see Figure 3 2). Core Policy 9 identifies that "the redevelopment of the following sites will be supported:

- Bath Road Car Park/Bridge Centre Site - to form a retail extension to the town centre to provide a supermarket and comparison units; and
- Langley Park - to deliver a mixed use site solution for a key redevelopment opportunity area to support the retention of significant business uses on part of the site."

30. These sites are located to the north and south of the railway. The station Hub proposals will support the integration of these areas and with the other sites south of the railway.

31. Over the plan period (2006 to 2026), 26.5 ha of new employment land (in addition to that already provided or committed at April 2011) and approximately 5,090 new homes will be provided in Chippenham Community Area. At least 4,510 should occur at Chippenham Principal Settlement. Allocations at Chippenham are identified in the Chippenham Site Allocations Development Plan Document (DPD). The DPD sets out a range of facilities and infrastructure necessary to support growth.

#### Chippenham Site Allocations Plan (May 2017)

32. The Site Allocations Plan outlines the vision for Chippenham as including:

- Chippenham will take advantage of its excellent rail and road links and its position on the high tech corridor between London, Bristol and beyond. It will strengthen its offer and role as a business location ensuring people can live and work locally; and
- Chippenham will have an integrated approach to transport so that traffic flow will be more efficient, the town centre will be less congested and there will be improved access for sustainable modes of transport."
- Objective 4 (improving access to sustainable transport) identifies that "the need to improve access to sustainable transport is recognised in the Wiltshire Community Plan and in the Chippenham Vision. Public transport connectivity and pedestrian and cycling links to the town, town centre, railway station and Wiltshire College campus also needs to be improved including better integration of different modes".

#### Chippenham Central Area Masterplan (May 2014)

33. The Chippenham Town Centre Masterplan identifies the need for the town centre to adapt to changing economic influences and improve the attractiveness of its high street and town centre offer for residents, visitors and businesses. The Masterplan includes proposals for the station area. It identifies the need to enhance station facilities, to improve pedestrian and vehicle links between the north and south sides of the railway (which is seen locally as a potential barrier to economic growth within the town centre), and to improve pedestrian and cycle links between the station and the town centre.

#### Western Route Study (August 2015)

34. As part of their Long-Term Planning Process, Network Rail produced their strategy to 2043 for the Western Route. The evidence base for the strategy draws upon recent significant passenger growth, identified network constraints and scheduled improvement works. Set alongside this evidence are the industry's and stakeholders' aspirations for the rail network, which together underpin the levels of forecast growth (4.3% per annum to 2023 and then 3.2% per annum to 2043) and prioritisation of investment set out in the strategy. Potential service enhancements and associated infrastructure requirements which will benefit Chippenham are identified, e.g. increased off-peak services and reduced journey times.

## **Overview and Scrutiny Engagement**

35. The overall scheme and delivery strategy has been presented to and approved by the SWLEP Board. Overview and Scrutiny Management Committee has established a SWLEP Task Group which scrutinises the work of the SWLEP Board. The overall scheme was presented to the Task Group on 16 October 2017. The scheme has also been presented to the Chippenham Area Board.
36. A stakeholder workshop involving local councillors was held on 17 August 2017. A public consultation took place on the 22 November 2017. Further details can be found in Appendix 4. A Project Steering group meets regularly and this group includes the local ward member.

## **Safeguarding Implications**

37. There are no specific safeguarding implications as a direct result of this proposal.

## **Public Health Implications**

38. The local economy is a known contributor to the wider determinants of health. A struggling local economy can lead to higher unemployment throughout the local population. This in turn can impact on the social, physical and mental health outcomes of the population. Getting people into work is therefore of critical importance for reducing health inequalities.
39. Considerations should be made for active travel through walkways and cycle paths where the plan permits. Through access to green spaces, the location lends itself can be a gateway to attracting young families for safe play and physical activity.
40. There is a potential impact on parking for the Olympiad Leisure Centre. There is an opportunity to improve accessibility to the facility and this will be carefully considered as the scheme develops.
41. The work of the SWLEP delivered through nationally competitive Growth Deals, aims to deliver jobs in Wiltshire and attract millions of private sector investment to our economy. This will help ensure that Wiltshire's economy remains strong and resilient and that employment figures remain high.

## **Procurement Implications**

42. The Strategic Outline Business Case and the Outline Business Case were both procured through formal tender and overseen by the Corporate Procurement Unit.
43. Wiltshire Council managed Growth Deal projects and development works associated are procured in line with the Part 10 (Procurement and Contract Rules) of Wiltshire Council's Constitution and process pertaining to corporate

procurement. Advice and guidance will be sought from the Strategic Procurement Hub prior to embarking on any procurement activities.

**Equalities Impact of the Proposal** (detailing conclusions identified from Equality Analysis, sections 4 and 5)

44. Equalities and social considerations will be taken into account during further development of the scheme and the related planning application.

**Environmental and Climate Change Considerations**

45. Environmental and climate change considerations will be taken into account during further development of the scheme and the related planning application.

**Risks that may arise if the proposed decision and related work is not taken**

46. Failure to move forward with the development of the Sadlers Mead site and Phase 2 of the Chippenham Station Hub scheme would create a number of risks:

- LGF monies could be lost if not spent before March 2021 and could be reallocated
- Less able to attract further private sector investment to the area through delivery of further phases
- Failure to deliver the Chippenham Masterplan
- Unable to provide office space to accommodate known demand

**Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

47. Refusal of planning application – Officers have already submitted a planning pre-application to understand potential constraints and limitations. Stakeholder and public consultation events have also taken place.

48. Unable to attract an occupier for the commercial building – Market testing has been undertaken to ensure the scale of development is attractive to the market.

49. SWLEP do not approve Outline Business Cases – The business case has been prepared using DfT and HM Treasury Green Book guidance.

50. Not securing best value for the site – Strategic Assets will follow procedures to ensure the site generates best value for the council.

**Financial Implications**

51. There are no immediate financial implications from the in principle decision to develop the Sadlers Mead site. Further analysis on financial implications and a business case would be presented to Cabinet in 2018



52. A total of £16 million Local Growth Fund grant has been allocated for Chippenham Station Hub project, the proposal is to allocate £4 million of the Local Growth Fund grant to this proposal, Phase 2.
53. The full business case would include modelling for the impact on car parking revenues from the site. At this stage the proposal is to re-provide or slightly increase the current number of parking spaces. However during development there would be a stage where parking on this site would not be available, temporary parking provision would be investigated.
54. The realisation of a capital receipt will assist the Council in achieving the Capital Receipts target for 2018/2019 which supports the Council capital programme, this keeps borrowing costs at the budgeted level in the MTFP.
55. Further work would need to be undertaken to assess any the route by which the site is developed, to ensure best consideration, as required under s123 of Local Government Act 1972, is being obtained for the Council's asset. Disposal of part of the site would yield both a capital receipt being generated but could be shown as private sector investment into the project by way for match funding.

### **Legal Implications**

56. There are no legal implications with the paper other than it will result in legal work to formalise them. In respect of the asset being put forward as part of this report, each asset if it were to be sold, would be sold at or above market value, thus ensuring that the best price properly payable will be received thus satisfying the requirements of s123 of the Local Government Act 1972. Market value would be determined by either open marketing of the sites or through an external valuation being procured to reflect any special circumstances.
57. Cabinet should satisfy itself that the recommendation does help in the securing or promotion of the economic, social or environmental well-being of the area. Any relevant development strategy should be consulted in making this assessment. Should the disposal result in an undervalue (if any) as determined by Wiltshire Council's valuation agent this should also be taken into consideration.

### **Options Considered**

58. See paragraph 18

### **Conclusions**

59. It is recommended that the proposals as set out are approved.
60. Wiltshire Council will continue to work with project stakeholders to deliver the Chippenham Station Hub scheme whilst managing the financial implications and associated risks to the organisation.
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January 2018

## **Appendices**

Appendix 1 – Site location plan

Appendix 2 – Sadlers Mead location

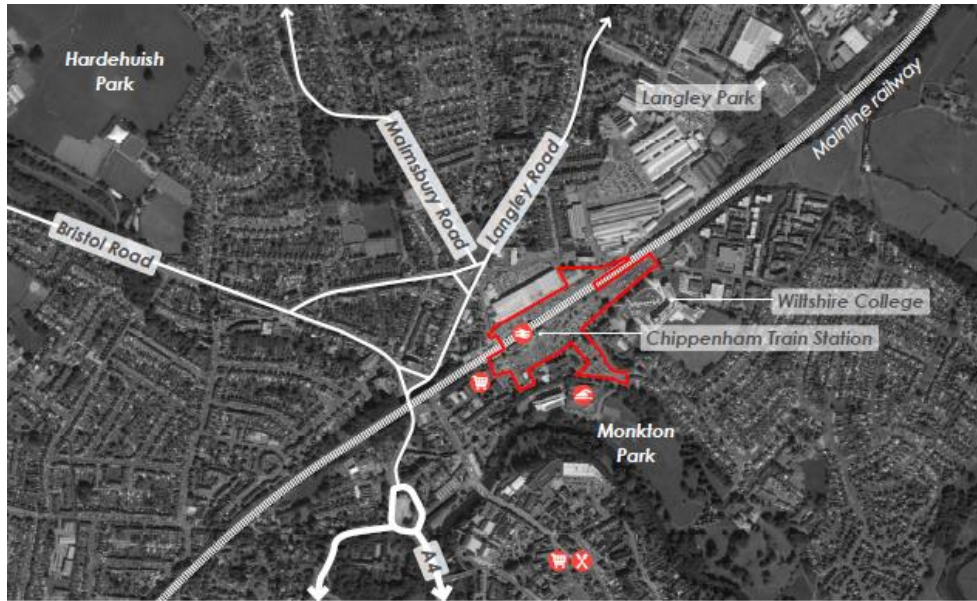
Appendix 3 – Initial site design draft

Appendix 4 – Public consultation boards

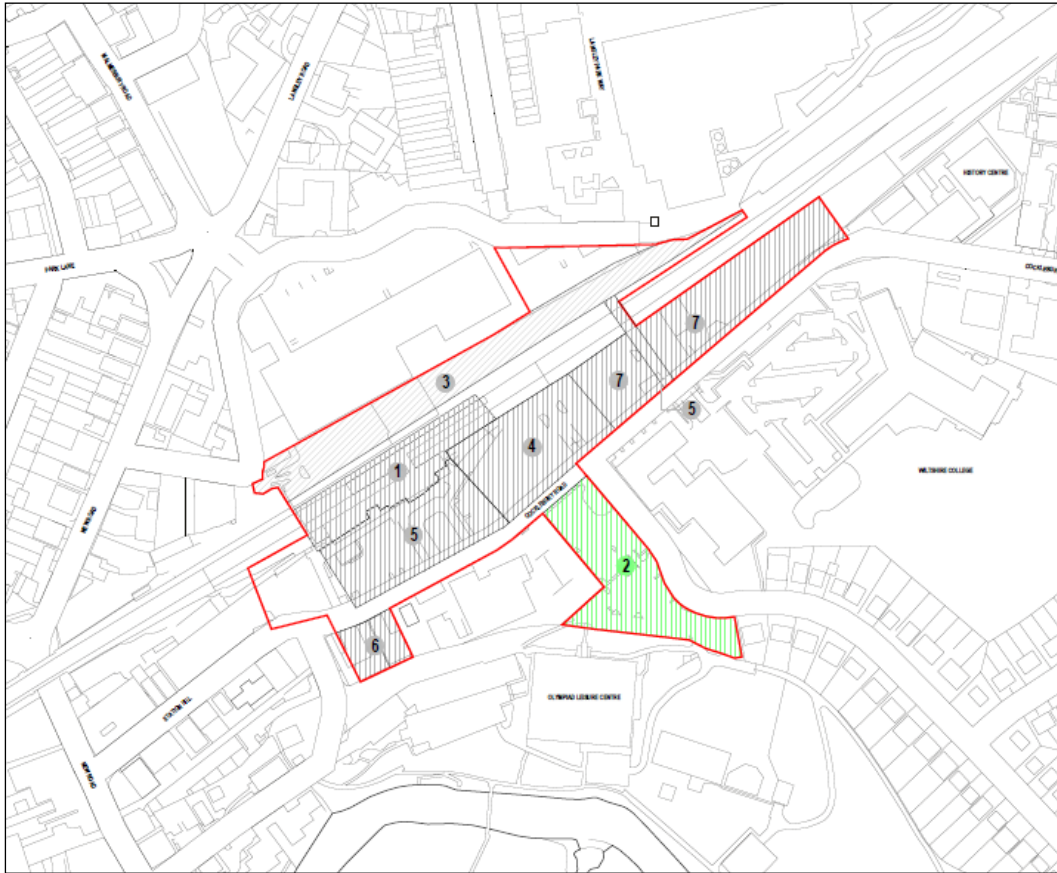
Background Papers

None

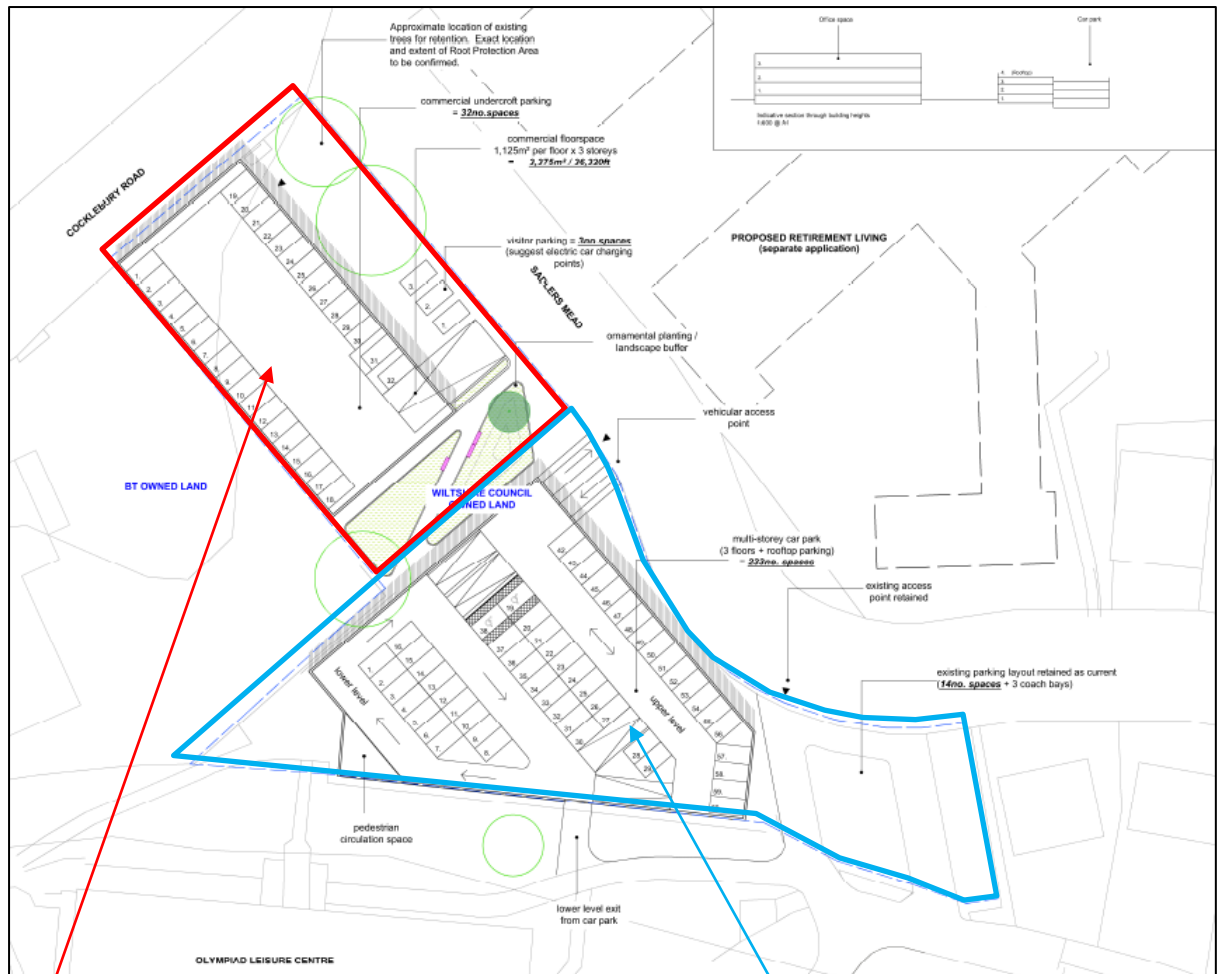
## Appendix 1 - Site location plan



## Appendix 2 - Sadlers Mead location



### Appendix 3 - Initial site design draft



Site to be declared surplus

Site to be retained

## **Appendix 4**

### Public Consultation Boards