

**Wiltshire Council**

**Cabinet**

**15 February 2012**

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**Subject: Salisbury Central Car Park and Maltings**

**Cabinet Member: Cllr Fleur de Rhé Philipe - Economic Development and Strategic Planning**

**Key Decision: No**

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### **Executive Summary**

Following the approval by Cabinet in December 2010, the Council has undertaken a process, in accordance with European Procurement Regulations, to identify its preferred development partner for the retail led mixed development project at Salisbury Central Car Park and Maltings.

Members are now invited to consider whether to award 'Preferred Bidder' status to the highest scoring bidder.

### **Proposals**

- (i) To award 'Preferred Bidder' status to the shortlisted bidder with the highest score against the evaluation criteria.
- (ii) That the Council enters into a Development Agreement with the Preferred Bidder.
- (iii) That the Preferred Bidder embarks on a public consultation programme at the earliest opportunity.

### **Reason for Proposals**

The award of 'Preferred Bidder' will enable a scheme to be worked up in detail, in full consultation with the public and stakeholders, which will meet the objectives of the Core Strategy and Salisbury Vision.

**Alistair Cunningham**

Service Director – Economy & Enterprise

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**Purpose of Report**

1. To seek authority to award 'Preferred Bidder' status to the shortlisted bidder with the highest score against the procurement evaluation criteria in the Salisbury Central Car Park and Maltings retail led mixed use development.

**Background**

2. In December 2010 Cabinet considered a report on the Salisbury Central Car Park and Maltings and resolved:
  - (i) *That the Council offers the Maltings and Central Car Park (MCCP) to the market via an OJEU procurement process.*
  - (ii) *That the MCCP be taken to the market in spring 2011 with a target date of March 2011.*
  - (iii) *To delegate authority to the Director, Economy and Enterprise, in consultation with the Cabinet Member for Economic Development, Planning and Housing and Director of Resources to approve the OJEU procurement process, the minimum project requirements (on the basis referred to in paragraph 16 of the report presented) and the evaluation criteria prior to marketing the MCCP.*
  - (iv) *That Cabinet notes that the existing library may be demolished and replaced as part of the MCCP redevelopment or may be demolished and replaced elsewhere in the city in an alternative suitable location.*
  - (v) *To delegate authority to the Director, Economy and Enterprise, in consultation with the Cabinet Member for Economic Development, Planning and Housing and Director of Resources, for the acquisition of opportunity land interests in and around the MCCP that would enhance the likelihood of delivering a retail-led mixed use development on the site.*

- (vi) *That Cabinet notes that there may be a reduction in car parking income during or as a result of the carrying out of the redevelopment on the MCCP although this may be offset by a combination of capital receipt and rental income arising out of the redevelopment. The provision of Park and Ride space around Salisbury will ensure minimal impact to parking for the city.*
  - (vii) *That Cabinet approves the principle of proceeding with a compulsory purchase order at the successful developer's expense in the event that this is in the public interest and where the chosen scheme cannot proceed without acquiring third party interests.*
  - (viii) *That all interests in the ownership of the Council within the area of land shown edged red on Plan A attached to the report presented (not being public open space or already held for planning purposes) be appropriated for planning purposes at the date the Council allows the successful developer to enter onto such land for the purposes of carrying out development in accordance with a planning permission granted for the development of the MCCP.*
3. The Council has offered the opportunity for the award of 'Preferred Bidder' to the open market in accordance with European Procurement Regulations. Three companies, Harvest, Henderson Investors and Stanhope were invited to submit their Best and Final Offers which were received in December 2011.
  4. These have been scored in accordance with the bid evaluation criteria which reflected the objectives of the Council's Core Strategy and Salisbury Vision.

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

5. Members will be well aware that there are strict protocols associated with the European Procurement Regulations with punitive damages if these are not adhered to.
6. As such, the evaluation of the bids has been undertaken by senior officers of the Council, supported by its consultant legal and property advisors, and moderated by Sir Christopher Benson, Chairman of Salisbury Vision.
7. Accordingly, Members are not being asked to assess the merits of each bid but to decide whether to award 'Preferred Bidder' status to the company which has the highest score or to 'do nothing'.
8. The identity of the Preferred Bidder, together with the financial implications, will be set out in a separate report that will be found as a confidential report for consideration at this meeting of Cabinet.
9. It should be noted that at this stage in the process the bidders have been asked to submit their 'concepts' for a retail led mixed use development of the site.

10. The concept will evolve into detailed proposals only after the preferred bidder has undertaken full public consultation, including stakeholders such as the Area Board, City Council, Chamber of Commerce, etc.
11. However, officers firmly believe that the highest scoring Bidder's proposals meet the key objectives of the Council's Core Strategy and those of the Salisbury Vision which can very briefly be summarised as providing a quality sustainable development which will not have a negative impact on the existing city centre retail offer and will mitigate against the leakage to nearby competing town centres.
12. Accordingly, it is recommended that the highest scoring company is awarded Preferred Bidder status.
13. The alternative of 'do nothing' will mean that the economic vitality of the city centre will decline. There are already retail developments taking place or planned for Winchester and Southampton, which will increase those towns' attraction to shoppers.
14. This will lead to the existing city centre shops losing trade and deter new operators from investing in the city.
15. In addition, if Members decide against proceeding with the development of this site, the Council's Planning Committee will find it harder to resist 'out of town' development proposals on the Southampton and London Roads.
16. In both scenarios outlined above, not only would the city centre lose significant amount of trade, it is anticipated that there would be a substantial negative impact on the amount of revenue the Council receives from the city's car parks and Park and Ride service.

### **Environmental and Climate Change Considerations**

17. There are no environmental or climate change considerations arising from the recommendation. However, the eventual development will have an impact and this will be considered at the planning application stage.
18. Last year there was public concern that the Listed Facade to the library/Market Walk might be demolished. It is confirmed that all the Bidders intend retaining the facade.

### **Equalities Impact of the Proposal**

19. There is no equalities impact arising from this report.

### **Risk Assessment**

20. There is a risk that the Council, in awarding Preferred Bidder status, will be challenged by one or both of the under-bidders.

21. However, this is considered low as the Council has adhered strictly to the European Procurement Regulations protocols, taking expert advice at all times during the process.
22. There is a risk that even after awarding Preferred Bidder status that development does not take place on the site.
23. Whilst any development will be subject to planning consent, the Preferred Bidder has an excellent track record in public consultation, working up planning applications that are sympathetic to Planning Policies and delivering development projects. Accordingly, this risk is considered to be low.

### **Financial Implications**

24. The financial implications are set out in the confidential report.

### **Legal Implications**

25. The Council has followed the legal requirements of the European Procurement Regulations.
26. The Council will be entering into a Development Agreement with the Preferred bidder.
27. In both matters the Council has been advised by consultant lawyers who are experts in these fields.

### **Options Considered**

28. The only alternative option is to 'do nothing' the disadvantages of which are explained earlier in this report.

### **Conclusions**

29. That the award of Preferred Bidder status meets the recommendations of the Cabinet decision in December 2010.

### **Alistair Cunningham**

Service Director – Economy & Enterprise

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**The following unpublished documents have been relied on in the preparation of this report:**

CM09360

None