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# Report

**Subject** : Salisbury Vision - Proposed redevelopment of the Maltings and Central Car Park

**Report to** : The Cabinet

**Date** : Wednesday 28 March 2007

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**Cabinet Member for Planning and Economic Development:** Cllr Mrs Brown

**Cabinet Member for Resources:** Councillor Culver

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## 1. Purpose of Report

### 1.1 This report:

- Describes the potential issues for the Council in implementing the proposal, contained in the draft Salisbury Vision, to redevelop the Maltings and Central car park; and
- Recommends a way forward.

### 1.2 The report has been prepared by a multi-disciplinary team of officers, which has been formed to oversee this project.

## 2. Overview

### 2.1 In February 2006, Salisbury District Council, Wiltshire County Council and the South-West Regional Development Agency commissioned consultants to prepare a vision for the future of Salisbury city centre. The consultants delivered a draft Vision document in January 2007, for consultation within the three partner organisations. A final version of the Vision will be published in April 2007 and it will then be the subject of further public consultation, starting in July 2007, as part of the emerging Local Development Framework Core Strategy.

### 2.2 The Vision focuses on four key sites:

- The Maltings and Central car park;
- Churchfields Industrial Estate;
- The Guildhall, Guildhall Square and Market Place; and
- Southampton Road



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but also puts forward a number of proposals affecting land within and surrounding the city centre. In total, 25 individual projects are suggested, ranging from site-specific initiatives to more general improvements to the public realm.

- 2.3 The recommended projects are of varying degrees of complexity, involving many different landowners. Some are relatively straightforward and could be implemented in the short-term, whilst others would take longer, because of the need to change planning policies, assemble land, or await funding streams arising from other elements of the Vision.
- 2.4 The draft Vision document states that whilst *“superficially, the key sites appear mutually exclusive there will undoubtedly be cross economic and environmental subsidy between them in order to secure the impact necessary to bring about a Vision based on step change and bold future direction.”* It is possible to go further and say that very many of the Vision’s projects will not be realised unless funding released by the development of major sites is utilised. This funding will either be in the form of planning obligations payments (subject to any reforms that might be introduced by the Government) or, more significantly, through direct subsidy by the District Council, or other agencies. The Maltings and Central car park are the Council’s most significant land assets in the city centre and could be a major source of funding for other Vision projects. The extent to which it is prepared to expend its capital receipts in this way will be a key decision for the Council. It is clear that the Vision takes a holistic view of the future development of Salisbury and does not intend that individual projects should be ‘cherry picked’ in a way that might prevent other, less financially viable schemes being brought forward. The overall cost of the projects for which the District Council is likely to be responsible is not known. It is important to realise, however, that it could be equal to, or even greater than, the capital receipts from the development of sites like the Maltings and Central car park.
- 2.5 A second significant consideration relates to the Council’s revenue position. There are two aspects. The first relates to the fact that the bulk of the Council’s land assets in the city centre that might be affected by development are car parks. These produce a substantial revenue stream upon which the Council is heavily dependent. In considering any development proposals, the Council will therefore need to be satisfied that its revenue position is safeguarded. Secondly, whilst many of the projects included in the draft Vision will require the expenditure of capital resources to bring them about, they will also subsequently require an on-going revenue commitment. This commitment could be substantial as many of the projects relate to the creation of parks and public open spaces.
- 2.6 Against this background, this report focuses on the Maltings and Central car park. The core part of the site is Salisbury District Council (SDC) owned. The redevelopment of the site could be a catalyst to many of the other projects proposed by the Vision, both in terms of the physical improvements that would be achieved and the funding that could be released. A number of developers and agents have already expressed an interest. Significantly, current planning policies for the site are broadly favourable to the type of redevelopment proposed by the Vision and the process could be started relatively quickly. The report therefore seeks to make an initial assessment of the issues confronting the Council and seeks the guidance of Cabinet on whether and how to proceed.

### 3. **The Maltings and Central car park**

- 3.1 The Maltings shopping and residential development was completed in the mid 1980s. It has a Sainsbury supermarket of approximately 45,000 sq ft gross floor area as its anchor store. The complex is served by a two-deck car park providing a total of 662 spaces. The adjoining Central car park accommodates a further 964 spaces, giving a total of 1626 spaces overall. (1587 of which are currently charged). The Council’s Shopmobility unit is located on the ground floor of the Maltings car deck.
- 3.2 The Maltings has not been an outstanding commercial success, with Priory Square, in particular, performing badly. The Sainsbury store is located at first floor level, making access more difficult than to its nearby rivals, Tesco and Waitrose. The store is also small by modern standards. The Maltings and Central car parks are an important revenue source for the

District Council, producing approximately £2 million gross annually, or about 40% of the Council's total car parking revenue.

3.3 The freehold of the Maltings and Central car park is held by SDC. Town Centre Securities (TCS) have a long lease on the Maltings and the Council leases back the decked car park on a full repairing basis. In 1999, TCS and Sainsbury approached the Council with a view to redeveloping the site. Discussions led to the submission of a planning application in early 2002 and permission was granted in June 2004. Parallel land negotiations were terminated in September 2004, at which time the Cabinet resolved that an examination of the development potential of the whole of the Maltings and Central car park site should be undertaken. In coming to its decision, the Cabinet recognised TCS as a major partner by virtue of its land holdings and expressed a willingness to open a fresh dialogue on the future of the Maltings and adjoining land. A commitment to include a major food store in any redevelopment of the Maltings was also recorded.

3.4 The Salisbury Vision now proposes:

*"The Central Car Park and Maltings areas to be redeveloped for a mix of new uses with associated car parking anchored by a new food superstore (possibly J Sainsbury relocated from its current location). The redevelopment of the Maltings could extend towards Fisherton Street and also incorporate a new open space to act as a public square adjacent to the Salisbury Playhouse and City Hall. The rearrangement of the island between the Mill Stream and River Avon to become a new park".*

Proposals for:

- Fisherton Square (Project 18) – the demolition of buildings fronting Fisherton Street to create a public space connection with the redeveloped Maltings/Central car park;
- Confluence Park (Project 23) – the creation of a public park on land situated between the River Avon and Millstream, currently occupied by the Central Health Clinic and the Probation Service and private car parking;
- The relocation of the library to Fisherton Square and the upgrading of the current Library Walk;
- Improvements to the Guildhall Square and Market Place (Project 17); and
- Closing city centre car parks (Project 4)

are related and are referred to below.

#### 4. **The Issues**

4.1 The possible redevelopment of the Maltings and Central car park raises a broad range of issues for SDC. These are briefly set out below under four headings:

- Timing;
- Objectives;
- Approach to be adopted;
- Finance.

#### 4.2 Timing

As noted, the Salisbury Vision is in draft only at the moment. It is likely that as a result of the present internal consultation, and future public consultation exercises, the Vision's proposals will be altered, at least in detail. The redevelopment of the Maltings and Central car park is a core project in the Vision. The way in which it is implemented will have implications for the scale and scope of many other Vision initiatives. Whilst it could be proceeded with immediately, because of a favourable planning policy context, the Council may wish to consider whether it would be more appropriate to delay, in order to facilitate a more holistic approach to the Vision's proposals and to appreciate better their inter-connections and implications.

#### 4.3 Objectives

In promoting the redevelopment of the Maltings and Central car park, the Council could seek to achieve one or more of a broad range of objectives. Put crudely, the spectrum extends from maximising the Council's capital receipt from the sale of the land, through to trying to achieve the full range of Vision projects. If the redevelopment site is tightly defined to encompass no more than the Maltings and the present car parking areas, the return to the Council is likely to be maximised. On the other hand, if the Council is also intent upon facilitating proposals such as Fisherton Square and Confluence Park, as well as other off-site projects, the capital receipt will be reduced and could even be rendered negative. The reason is that whilst the Council controls the Central car park and has land ownership interests in the Maltings, it has no control over the land required for related projects. The land would therefore have to be acquired, from many different landowners. The proposed uses (public open space and parkland) have no commercial value and the Council would have to use the proceeds from the Maltings and Central car park to enable these projects to go ahead, unless other sources of funding could be identified.

4.4 The involvement of other, unwilling landowners would add greatly to the complexity of the overall project and introduce delays, particularly in the highly likely event that compulsory purchase powers would be needed. Widening the scope of the development could also mean that existing planning policies would need to be amended through the Local Development Framework process, adding further to potential delays.

4.5 It is also the case that the Council will need to be satisfied, in advance of further public consultation, that the proposals for the Maltings and Central car park, put forward by the draft Salisbury Vision, are acceptable and represent the full scope of its objectives for the site. As an example, whilst any redevelopment scheme is likely to include an element of affordable housing, the Council might wish to see a greater provision, in line with its core values. Whatever mix of uses for the site is finally determined, there will be a significant opportunity cost; what is built now will inevitably preclude other uses for some time.

#### 4.6 The approach to be adopted

There are many ways in which the Council could promote the redevelopment of the Maltings/Central car park site, for example:

- In partnership with TCS and Sainsbury. Past experience has shown that it may be difficult to come to a satisfactory deal with these potential partners. The absence of open market competition might also diminish the potential return to the Council.
- Open market tendering. This approach, which would require the retention of specialist property advice, would be likely to maximise any capital receipt. However, the Council might find that its ability, as landowner, to influence the content of any development was diminished.
- Working with a specialist consultant (this approach has been recommended informally by the Council's retail advisors, GVA Grimley). The consultant would carry out a feasibility study of the redevelopment proposal itself, as well as any potentially associated projects. A key aspect would be an examination of the likely capital and revenue implications, both in the immediate and longer-term. The consultant would also assist with the preparation of a development brief for the site, which captured the Council's objectives, carry out a market analysis and recommend the most appropriate way of achieving a suitable development partner.

#### 4.7 Finance

In 2007/2008 the Central and Maltings car parks are budgeted to produce £2,002,200. A redevelopment scheme might reduce the number of car parking spaces on the site to about 1000, the income from which, depending on the terms of the land deal, might or might not remain with the Council. The Council cannot release the land for redevelopment unless its revenue position is safeguarded, particularly if a greater reliance has to be placed on park and ride. It follows that a great deal of work needs to be done on car parking issues before

the Council commits itself irrevocably to any redevelopment of the Maltings and Central car park.

- 4.8 The resolution of many of the above issues will require the appointment of specialist consultants. If work is to proceed at an early date it will be necessary to establish a budget to cover the cost of fees. This could be financed from any future capital receipt from the disposal of the car park.

## 5. Next steps

- 5.1 The appointment of a specialist consultant is suggested above. In addition, officers will need to carry out a range of preliminary investigations, including:
- A detailed study of the site and its surroundings, its planning history and land ownership constraints;
  - The relationship of the proposed redevelopment with other major projects likely to come forward as a result of the Salisbury Vision;
  - The need for alterations to current planning policy. A conservation and heritage assessment should be done;
  - An investigation of potential highway and transportation constraints. The Council's car parking strategy will need to be redrafted to take account of the development of Maltings and Central car park and, possibly, other city centre car parks. The review will need to ensure that sufficient capacity can be provided for post-development and longer-term needs. The Salisbury Transportation Plan will also require recasting. At a detailed level, the capacity of the junction of the direct access road and A36 (an issue with the Waitrose development) could limit the scale of any redevelopment. It would also be desirable to close or restrict other existing accesses to the site as a contribution to reducing car movements in the city centre;
  - An examination of the possible flood risk. Previous studies have indicated that part of the site is within the 100 year flood plain. This could be a particular problem if excavation were required to accommodate car parking;
  - The site lies between two branches of the River Avon (three if Confluence Park is included). This river is a Special Area for Conservation and a Site of Special Scientific Interest. The high environmental quality of the river system is likely to impose constraints on any redevelopment. An Appropriate Assessment under the Habitat Regulations will be required.

## 6. Conclusions and recommendations

- 6.1 This report has sought to give an overview of the issues arising from the proposal, contained in the draft Salisbury Vision, to redevelop the Maltings and Central car park. The proposal has many implications that should be thoroughly explored before a decision is taken to release the land.
- 6.2 The Cabinet is recommended to:
- a) Authorise the appointment of a specialist consultant to carry out a feasibility study of the proposed redevelopment of the Maltings and Central car park, and possible associated projects, and to make recommendations about the appointment of a developer partner.
  - b) Authorise officers to carry out preliminary work on the identification of any constraints affecting the site;
  - c) Authorise an immediate review of the Council's car parking strategy, with a view to achieving (i) the sustainable distribution of an appropriate number of car parking spaces to serve Salisbury in the future and (ii) the maintenance of the Council's revenue position;
  - d) Authorise the establishment of a budget of £90,000 to cover the cost of engaging appropriate specialist consultants.

7. **Implications:**

- **Financial** : Should asset disposals be realised from the work carried out it may be possible to capitalise some of the investment made in securing such receipts.
- **Legal** : None in relation to this report.
- **Human Rights** : None in relation to this report.
- **Personnel** : None in relation to this report.
- **Community Safety** : None in relation to this report.
- **Environmental** : None in relation to this report.
- **Council's Core Values** : Excellent service, Thriving economy, Protecting the environment.
- **Wards Affected** : All Salisbury wards.