

THE SALISBURY VISION

Executive Summary

In February 2006 Salisbury District Council, Wiltshire County Council and the South West Regional Development Agency commissioned consultants to prepare the 'Salisbury Vision'. The Implementation Executive endorsed the final version of the Vision document on 17 June 2008 and it was adopted by Salisbury District Council (SDC) on 23 June 2008.

Overall, the Vision's aim is:

For Salisbury to be a clean, green, safe and friendly city; a place that is consistently acknowledged as being one of England's best places to live.

The Vision suggests 24 integrated 'projects', ranging from the commercial redevelopment of major areas of the city, to the creation of new parks and open spaces and the improvement of the public realm. Together, these projects are intended to bring about a regeneration of the city.

Of the 24 projects, the Vision Group believes 3 are key to the delivery of the Salisbury Vision. These projects relate to:

- The Market Place
- The Maltings and Central Car Park
- Churchfields

This report sets out the current status and the next steps for the key projects of the Salisbury Vision, together with a proposal for managing the Salisbury Vision forward through a public private partnership – described as a Special Purpose Vehicle.

Given the magnitude of the projects under consideration, the report sets out a number of recommendations.

Proposal

That the Implementation Executive:

- (i) Considers and agrees the following recommendations in respect of:

Salisbury Vision (SPV)

- (a) Approve the establishment of a Vision SPV and its terms of reference.
- (b) Approve the membership of the Vision SPV Executive Board.
- (c) Delegate authority to the Director, Economy and Enterprise to agree minor changes in (a) and (b) above.
- (d) Delegate authority to the Director, Economy and Enterprise to establish, subject to terms of reference of the Vision SPV, officer groups for the major projects, to work to the direction of the Vision Executive Board.

Market Place

- (a) Endorse the selection of the Judging Panel, i.e. that the team led by Letts Wheeler Architects and Design A are the preferred team/design.
- (b) Note that this does not commit to the delivery of Design A, but rather to the design 'palette' and approach and that SDC/Wiltshire Council are under no obligation to enter into contract negotiations with the preferred team.
- (c) Note the draft funding and delivery timetable.
- (d) Consider Salisbury District Council's Cabinet resolution to recommend that the Implementation Executive also ratify the decision of the Judging Panel and "approve an accelerated project timetable".
- (e) Delegate authority to the Director, Economy and Enterprise, in consultation with the relevant Implementation Executive Portfolio Holders, to enter into discussions with the preferred team with a view to finalising a delivery timetable, contract arrangements and budget; to be brought back to the Implementation Executive or Wiltshire Council Cabinet by July 2009.

The Maltings and Central Car Park

- (a) Confirm the overall objective of the proposed redevelopment; namely a 'retail led mixed use' scheme as detailed in paragraph 36-37 and 61.
- (b) Note the conclusions of the Alder King feasibility study and authorise officers to continue working on The Maltings and Central Car Park project.
- (c) Agree to the preparation of a planning brief for the site.
- (d) Receive a further report when the initial technical and legal work, highlighted in this report, has been concluded.
- (e) Note that any recommendations pertaining to procurement and other legal issues will be considered in Part II.

Churchfields

Members are asked to note the progress towards and the next steps required to deliver the Churchfields project.

Transport Study

Members are asked to note the implications of the inter-relationship between the development of the traffic modelling work and the development of Vision projects.

- (ii) Note that legal and property issues are dealt with separately under a report to be tabled in Part II of the meeting.

Reason for Proposal

Since its inception, the Salisbury Vision has been 'managed' by a public/private sector Steering Group. This Group has been successful in moving the Vision forward. However, there are a number of issues, most notably the Group's lack of Terms of Reference. These have resulted in it not being as effective as it might have been. The private sector organisations in Salisbury have expressed their concern as to the lack of certainty relating to the major projects and the role of the Vision Group in managing the Vision process forward. In recognising and responding to its concerns, Wiltshire County Council has sought to reassure partners that the Wiltshire Council will address its concerns and work with them to deliver the Vision. Therefore, the management and governance of the Vision has been the subject of a detailed review. The results of this form the basis of this report alongside an update of the major Vision projects.

With the transition to Wiltshire Council on the 1 April 2009, it is imperative that the Vision Group has a mandate from the Implementation Executive to continue its work.

In agreeing the establishment of the Vision Special Purpose Vehicle, Implementation Executive Members will need to understand the progress, next steps and issues related to the overall Vision and individual major projects.

ALISTAIR CUNNINGHAM

Service Director, Economy and Enterprise

THE SALISBURY VISION

Purpose of Report

1. To:
 - (i) Inform the Implementation Executive of the current position on the key projects of the Salisbury Vision, together with related matters;
 - (ii) Recommend moving forward to the next stages of work.

Background

2. At the Implementation Executive meeting of 13 January 2009 Members considered a report describing aspects of the Salisbury Vision and resolved:
 - (a) *To note the report.*
 - (b) *To reaffirm support for the Salisbury Vision, including delivering the major projects as a priority, i.e. the Maltings/Central Car Park, Churchfields and the Market Place, and to note that the timing, funding and phasing of the individual projects required further consideration.*
 - (c) *To request a further report by the Service Director, Economy and Enterprise on 11 March 2009 on the Salisbury Vision as a whole, including:*
 - *The outcome of the consultation on the design competition;*
 - *The transport study;*
 - *Progress on The Maltings/Central Car Park redevelopment and Churchfields;*
 - *The current value of assets in Salisbury, their saleability and*
 - *Availability for release, in order to establish their suitability for funding the Salisbury Vision.*
3. This report responds to that resolution.

The Salisbury Vision

4. In February 2006, Salisbury District Council (SDC), Wiltshire County Council and the South West Regional Development Agency commissioned consultants to prepare the 'Salisbury Vision'. The Implementation Executive endorsed the final version of the Vision document on 17 June 2008 and it was adopted by SDC on 23 June 2008.
5. Overall, the Vision's aim is:

For Salisbury to be a clean, green, safe and friendly city; a place that is consistently acknowledged as being one of England's best places to live.
6. The Vision suggests 24 integrated 'projects', ranging from the commercial redevelopment of major areas of the City, to the creation of new parks and open spaces and the improvement of the public realm. Together these projects are intended to bring about a regeneration of the City.
7. Of the 24 projects, the Vision Group believes three are key to the delivery of the Salisbury Vision. These projects relate to:
 - The Market Place
 - The Maltings and Central Car Park
 - Churchfields
8. Each of the three projects is now the subject of on-going work. Many of the Vision's other projects also relate to traffic and car parking. As a separate exercise, consultants W S Atkins have been commissioned to undertake traffic modelling work leading to the development of a replacement Salisbury Transportation Plan.
9. For approximately two years the Vision has been 'managed' by a public/private sector Steering Group. This Group has been successful in taking the Vision forward. However, there are a number of issues, most notably its size and its lack of any real Terms of Reference, which have resulted in it not being as effective as it could have been. The management and governance of the Vision has, therefore, been the subject of a detailed review. The results of this, together with proposals for the future, are included in this report.

Delivery of the Vision

10. In October 2007, the Vision Steering Group considered an initial report on the options for a future special purpose vehicle (SPV) for the Vision, i.e. to replace the Steering Group from 1 April 2009. It was agreed that the creation of a more structured and formal SPV would be beneficial for the future delivery of the Vision programme. The Steering Group considered a further report in July 2008 at which the Group confirmed that it was inclined towards the establishment of an SPV which:
 - Is seen to be independent of local authority
 - Has an independent private sector Chair
 - Facilitates engagement with the business community and residents

- Can be established quickly (prior to 31 March 2009 at the latest)
 - Has the support of all of the public sector bodies involved
 - Has the minimum of financial disadvantages
 - Is flexible, so that possible future changes can be easily accommodated
11. The Chartered Institute of Public Finance and Accountancy (CIPFA) has recently published a comprehensive guide to choosing a partnership vehicle. The guide suggests that there are two fundamentally different types of partnership: an **Advisory Partnership** and an **Executive Partnership**.
- Advisory Partnership:** A vehicle in which each partner discusses and agrees what they each can do under their own steam as separate contributions towards partnership objectives.
- Executive Partnership:** A vehicle which can make its own decisions about how best to secure the purposes of the partnership, and act on them.
12. It has been agreed that at this stage in its development, there is no overriding need for an Executive Partnership, although this would be subject to review on a regular basis. It is, therefore, proposed to establish a new SPV as an Advisory Partnership to oversee the delivery of the Vision from April 2009. This Group will have specific responsibility for particular elements of project management, communications, community involvement, and strategy development and implementation.
13. The Chair of the SPV has a crucial role to play in ensuring that the Group is successful in delivering the Vision. The Vision Group consider that the required level of expertise, ability and knowledge will be found only in someone that has worked at a very senior level within the private sector. The Chair will have overall responsibility for the operation of the SPV. He or she will also have an important role to play in liaising with the new Wiltshire Council, Salisbury City Council, South Wiltshire Economic Partnership, SWRDA and with other bodies to ensure their wide and high level active support for the Vision programme.
14. The SPV Executive Board members have a collective responsibility to ensure that the LDV works to its Terms of Reference and that it meets its responsibilities. As such, the members will collectively need to have a wide range of skills and experience including financial management, procurement, marketing, and the management of major projects. The proposed Terms of Reference for this new Group and details of its membership are set out at **Appendix 1**.
15. Wiltshire Council will act as the accountable body for the partnership, holding funds on behalf of the partnership and distributing them in accordance with the partnership's wishes and appointing staff/contractors. Liability for actions undertaken on behalf of the partnership will be that of Wiltshire Council, but only if these actions are formally agreed by Wiltshire Council. All partners will accept liability for their actions. The partnership will be entered in the Wiltshire Council's Partnership register.

16. It is **recommended** therefore to:
- (a) Approve the establishment of a Vision SPV and its terms of reference.
 - (b) Approve the membership of the Vision SPV Executive Board.
 - (c) Delegate authority to the Director, Economy and Enterprise to agree minor changes in (a) and (b) above.
 - (d) Delegate authority to the Director, Economy and Enterprise to establish, subject to terms of reference of the Vision SPV, officer groups for the major projects to work to the direction of the Vision Executive Board.

The Market Place

17. The Vision Group considers that the rejuvenation of the Market Place is a priority project. The Group believes that a rejuvenated Market Place will act as a highly visible symbol of what the Vision is designed to achieve. By creating confidence in the City, it will act as a catalyst for other Vision projects, particularly those involving private sector investment and development. As such, the Vision Group sees this project as crucial to the success of the Salisbury Vision and thus to the future prosperity and well-being of Salisbury and south Wiltshire.
18. In August 2008 an international design competition for the rejuvenation of the Market Place was launched in conjunction with the Royal Institute of British Architects (RIBA). In accordance with established RIBA design competition procedures, a Technical Panel and a Judging Panel were set up. Membership details of these Panels are given in **Appendix 2**.
19. The competition attracted 46 expressions of interest (EOI). These were shortlisted to six teams by the Judging Panel and each team was asked to work up more concept designs to a detailed brief. These designs were the subject of a comprehensive consultation programme carried out during January and were considered by the Technical Panel in February 2009. For the purposes of the consultation programme the six designs were identified by the letters A to F.
20. The results of the survey carried out as part of the public consultation show that Design A is considered to be the most exciting and original (21.0%) followed by Design F (16.8%). Design A is also considered to be, by far, the most appropriate for Salisbury (34.2%); the second most appropriate being Design E (15.7%). Design A is also considered to have shown the best treatment for the elements of the Market Place that respondents consider most important. In answer to the question *“If you lived in another area, which design would most make you want to visit Salisbury”*, 28% of respondents chose Design A. Design F was in second place (11.9%).
21. The Charter Market Traders and the Showmen’s Guild of Great Britain have similar requirements for the Market Place: basically that it is kept as a large single open space free of obstructions, as best shown in Designs A and B. Local businesses also favoured this approach.

22. The Judging Panel met and interviewed the six teams on 9 February 2009. The Panel also considered the views of the Technical Panel and the results of the public consultation. After considerable deliberation the Panel announced that their preferred team/design is A. Details of the design submitted by Team A are given in **Appendix 3**. This Team has considerable experience of working on major public realm projects. The Team comprises:
- Letts Wheeler Architects
 - Martin Stockley Associates, public realm engineers
 - Wolfgang Buttress, public realm artist
23. The Judging Panel decision was ratified by the Salisbury District Council Cabinet on 25 February 2009. At this meeting, the Cabinet resolved to recommend that the Implementation Executive also ratify the decision of the Judging Panel and “*approve an accelerated project timetable*”.
24. The estimated cost of the Letts Wheeler concept scheme is £2.850 million plus fees of approximately 14.8%. Additionally, the cost of producing an associated public realm strategy is estimated at around £100,000. The total cost of the project is therefore estimated to be £3.47 million. Depending on the phasing of the works, there may also be some costs associated with the temporary relocation of the Charter Market if this is necessary during the construction period. A draft budget is given in **Appendix 4**.
25. It is **recommended** therefore to:
- (a) Endorse the selection of the Judging Panel, i.e. that the team led by Letts Wheeler Architects and Design A are the preferred team/design.
 - (b) Note that this does not commit to the delivery of Design A, but rather to the design ‘palette’ and approach and that SDC/Wiltshire Council are under no obligation to enter into contract negotiations with the preferred team.
 - (c) Note the draft funding and delivery timetable.
 - (d) Consider Salisbury District Council’s Cabinet resolution to recommend that the Implementation Executive also ratify the decision of the Judging Panel and “*approve an accelerated project timetable*”.
 - (e) Delegate authority to the Director, Economy and Enterprise, in consultation with the relevant Implementation Executive Portfolio Holders, to enter into discussions with the preferred team with a view to finalising a delivery timetable, contract arrangements and budget; to be brought back to the Implementation Executive or Wiltshire Council Cabinet by July 2009.

The Maltings and Central Car Park

26. The proposed redevelopment of the Maltings and Central Car Park is the Vision's most significant City centre project. The area involved comprises Salisbury's largest car park and The Maltings shopping and residential complex, which the Vision proposes should be redeveloped with:

A major retail-led mixed use scheme to greatly enhance Salisbury's position as a sub-regional shopping and cultural centre.

27. The intention as specified in the Vision Report is to:
- Enhance Salisbury as a sub-regional shopping centre by the provision of additional large footplate retail premises for multiple retailers.
 - Make better use of this strategic site.
 - Increase local economic development potential and improve footfall.
 - Release capital receipts to deliver other projects within the Vision and maintain a significant parking revenue stream.
 - Facilitate a better link to the Market Place.

Site description

28. The site comprises The Maltings shopping and residential development and the adjoining Central Car Park, which is to the north. The site is located in the north-western quadrant of the City centre and has a railway embankment to the north-west, Castle Street to the east and Fisherton Street to the south. A plan of the area is attached at **Appendix 5**. Three branches of the River Avon (a Special Area of Conservation and a Site of Special Scientific Interest) flow around the site.
29. The site is served by four vehicular accesses:
- A direct access from the A36 Churchill Way.
 - Summerlock Approach – a public highway leading from Fisherton Street.
 - Avon Approach – a private road in the ownership of SDC leading from Castle Street.
 - Millstream Approach, a private road also owned by SDC, located approximately 200 metres north of Avon Approach and also leading from Castle Street.
30. Pedestrian access to the site is also possible via the Market Walk (from the Market Place), St. Thomas Square (from the junction of Bridge Street, High Street and Silver Street) and Malthouse Lane (from Fisherton Street).

31. The Maltings shopping and residential development was completed in the mid 1980s. It comprises a Sainsbury supermarket of approximately 4,181 square metres (45,000 square feet) gross floor area as its anchor store, 26 other retail units (total gross floor space 4645 square metres/50,000 square feet), 10 residential flats and the Town Mill Public House. The complex is served by a decked car park providing a total of 662 spaces. The adjoining surface level Central Car Park accommodates a further 964 spaces, giving a total of 1,626 spaces overall. (1,587 of which are currently charged). SDC's Shopmobility unit is located on the ground floor of The Maltings car deck.
32. The Central Car Park and that at The Maltings are an important revenue source for the District Council, producing approximately £2 million gross annually, or about 40% of SDC's total car parking revenue.

Ownership

33. The freehold of The Maltings and Central Car Park is held by SDC. A consortium of Land Securities plc and J Sainsbury (together known as Harvest Limited Partnership and referred to hereafter as 'Harvest'), has a long lease on The Maltings. The Council leases back the decked car park on a full repairing basis. Sainsbury's occupy their food store on a sub-lease from Harvest.
34. Apart from the Library (WCC) and the City Hall (SDC), third parties control all adjoining land that has the potential to be included in a wider redevelopment scheme.

Justification for growth

35. The proposal to redevelop The Maltings and Central Car Park with a major retail-led scheme is predicated on the Salisbury Vision's assessment that it is required to enable the city to maintain its position as a sub-regional shopping centre in the face of increasing competition from nearby towns and cities. In particular, the Vision recognises the constraints imposed by Salisbury's historic built environment. It calls for the development of large footplate shops that will be attractive to national retailers who wish either to relocate from inadequate premises within the city centre or are currently unable to find premises locally.
36. This assessment of unmet demand from retailers and the need for Salisbury to improve its retail offer to shoppers has been a consistent theme of retail consultants' studies going back to the early 1990s. Most recently, a study undertaken by GVA Grimley LLP for the emerging South Wiltshire LDF Core Strategy summarised the situation as follows:

Our analysis identifies a vital and viable town centre ... We have, however, identified potential signs of vulnerability and barriers to growth, as well as opportunities to enhance and strengthen the centre ... At present, Salisbury is not a first choice shopping destination for a number of shoppers who instead choose to visit competing centres such as Southampton. Without new development in Salisbury, this position will only be exacerbated over the [Local Development Framework] period, as competing centres continue to improve and implement proposals in the pipeline ... In a 'do nothing' scenario Salisbury will fall further behind the larger stronger centres, and it is crucial for Salisbury to encourage investment and new retailers.¹

¹ GVA Grimley LLP, Salisbury District Council – Retail and Leisure Needs Study, October 2006.
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Feasibility Study

37. In December 2007, SDC commissioned consultants Alder King to undertake a feasibility study of the proposed redevelopment of The Maltings and Central Car Park. Alder King presented their final report in July 2008.
38. The consultants approached the study by carrying out a thorough assessment of the site and its environs to determine the extent of constraints and opportunities, including current third party rights over the land. Surrounding third party ownerships were investigated and a thorough design analysis was undertaken. The consultants examined the site's role as a car park and considered future parking needs and the Council's reliance on car parking income. Planning policy constraints were also identified (for example, the 40 foot height limit on new development in the centre of Salisbury).
39. Salisbury's need for additional shops, offices, residential and leisure premises was quantified and an assessment made of likely user and operator demand for these facilities. The consultants identified and spoke to a number of stakeholders, including Harvest as well as other key third party landowners. An analysis of the site's capacity to absorb desired development was also undertaken.
40. The consultants identified the core development site (shown on the attached plan **Appendix 5**) as comprising:
 - The Central Car Park
 - The Maltings
 - The Millstream Coach Park
 - The privately owned Riverside Car Park to the north of the electricity sub-station
 - The Library
 - Land to the front of the Playhouse Theatre.

Summerlock House and land owned by the Primary Care Trust, the Probation Service and Tesco Stores were excluded.

41. The majority of the identified site therefore falls within Council ownership and the number of third party interests is limited. The consultants contend that this arrangement reduces possible site assembly issues, which might give rise to increased cost and a protracted development timescale; especially if compulsory purchase is required.
42. Where the inclusion of third party land has been suggested, it is deemed to add beneficially to an enhanced design solution and scheme viability. The inclusion of the Library would enable a better link to the Market Place and the City centre to be created. The inclusion of the properties in front of the Playhouse would enable 'Fisherton Square' (Salisbury Vision Project 20) to be created.

43. Similarly, involving the coach park would allow development to take advantage of the site's location between two watercourses and provide an active frontage to both. The consultants consider that this arrangement should encourage adjacent third party landowners to reassess their land holdings and consider promoting all or part of them for sympathetic redevelopment in the future.
44. The consultants then prepared four masterplan options for the core site:
- Two similar preferred options, with alternative arrangements for car parking;
 - An aspirational masterplan that ignored the 40 foot height limit;
 - A reduced option that examined the possible redevelopment of the Central (surface) car park alone.
45. The preferred masterplan option suggests a two and three storey retail-led development with additional elements of residential or offices and community use. It is envisaged that retailing would take place at ground floor level with storage and possibly some retailing above. A residential use is introduced at first floor level in several areas. The accommodation comprises:

	Square Metres	Square Feet
Food store	8,125	87,425
Department store	6,390	68,756
Other retail	19,560	210,466
A3/A4/A5	4,482	48,226
Community	3,500	37,660
Residential	14,062	151,307

46. The existing Maltings food store and car park would be demolished, with the remainder of The Maltings being retained and significantly refurbished. 1,200 car parking spaces would be provided for shoppers, either beneath the development and/or in a multi-storey car park. An additional 169 spaces would be created to serve the proposed residential development. Service vehicles would enter and leave the site via a service road leading from Millstream Approach and providing access to the rear of the main retail units. Smaller units would be serviced via pedestrian routes within the development or by the use of trolleys from specified drop-off areas. Buses and coaches would also gain access to a dedicated drop-off point via Millstream Approach. Coaches would be expected to layover at the park and ride sites.

47. The library would be relocated to a new position adjacent to the Playhouse and City Hall, with a frontage on the newly created Fisherton Square. The existing library building would be refurbished and sub-divided to create retail floorspace spread over three floors. Market Walk would be refurbished in order to create a gateway entrance to the development from the Market Place. Residential development would be located on the sites of the current coach station and the Millstream Approach Car Park and at first floor level above some retail and food and drink units. (These sites could also be redeveloped with offices.)
48. The Playhouse, City Hall and Summerlock House would be retained as existing. Substantial public realm improvements would be made to routes between the new development and the rest of the city centre.
49. Flood compensation areas would be created on land owned by SDC immediately to the north of the bridge link to Market Walk. Any re-contouring works would be undertaken in a manner consistent with the 'Living River' project.²

Development cost analysis

50. An analysis of the likely development costs and construction programmes of each of the four masterplan options was then undertaken. This work was then matched against development appraisals and cash flows in order to calculate whether the options were commercially viable. The results demonstrated that options 1, 2 (preferred) and 3 (aspirational) were to varying degrees all viable at typical investment yields³. Option 4 (development of the Central car park alone) was shown not to be a viable option.

Objectives

51. The agreement of Members is required to confirm the purposes for which the redevelopment scheme is being promoted. The schemes tested by the feasibility study were commercial in nature and most likely to give the maximum possible value and also act as a catalyst to an economic regeneration of the city centre. However, Members may believe that the site could also be used for social, educational, leisure or community provision, although such uses could reduce the viability of the eventual scheme.

² The Living River project aims to improve sections of the River Avon and its tributaries for the benefit of people and wildlife. It focuses on the creation of natural river edges and a variety of stream conditions and will make the area visually more appealing.

³ Investment yield is the annual percentage return that is considered to be appropriate for a specific valuation or an investment, being expressed as a relationship between the annual net income (actual or estimated) and the capital value. In short, it is a measure of an investor's opinion about the prospects and the risk attached to that investment. The better the prospects and the lower the risks, the lower the expected yield and thus the greater the capital value. The required yield from an investment is estimated in the light of a number of factors including:

- The security in real terms of the capital invested;
- The security in real terms and regularity of the income;
- The ability to adjust the income to reflect market conditions;
- The complexity and cost of management;
- The ease and likely cost of realising the capital;
- The tax position.

In considering the level of appropriate investment yield to appraise the masterplan options the consultants had regard to the historic level of investment yields achieved in the open market in similarly sized and located developments throughout the United Kingdom.

Issues

52. The feasibility study raises a number of issues that require consideration as follows:

Market conditions

53. The feasibility study was undertaken at a time of more normal market conditions, although a downturn had started. Further work (ongoing) to assess the likely impact of the economic downturn on any scheme proposed will be required, prior to a recommendation to Members.

Building cost inflation

54. Calculations regarding building cost inflation will need to be revisited.

Car parking

55. The intention of the Salisbury Vision, accepted by SDC, was that capital released by the redevelopment of the site should be used as a catalyst to a wider regeneration, through reinvestment in other Vision projects. This fundamental principle was confirmed by the IE at its meeting on 28 January 2009. However, in addition to taking a capital receipt, SDC would have needed to maintain a revenue stream from the site, either in the form of income from the new car park(s) and/or from rents. It will need to be established whether Wiltshire Council will have the same requirements.
56. The provision of adequate car parking on the redeveloped site is essential for three reasons:
- To ensure a commercially successful development;
 - To provide a revenue stream to the Council; and
 - To ensure that an appropriate level of car parking is maintained to serve the city as a whole.
57. The consultants' advice is that, given current planning constraints, particularly the 40 foot height limit on new construction in the city centre, the optimum number of shopper car parking spaces serving the new development would be 1,200, plus 169 residential parking spaces, a net reduction of 257. This would lead to a loss of income.
58. The work currently being undertaken by consultants W S Atkins will enable modelling to be used to assess a number of development/change scenarios. However, whilst resource and funding for advancing these strategies is in place, the pace of LDF and Vision initiatives will need to be geared to match the processes described in developing the traffic model. That is likely to produce difficulties if there is an attempt to accelerate development/redevelopment proposals ahead of that pace.

59. It is critical to align the proposed timescale for modelling and finalising transport outputs, and to ensure that development and Vision projects are brought forward only when there is evidence to support their design and delivery.

Coach parking

60. The availability of adequate coach parking facilities is important to a city that relies heavily on its tourist trade and continues to attract visitors from across the region to its markets and other facilities. The consultants' proposals would involve the redevelopment of the Millstream Coach Park and the creation of a small drop-off/pick-up point for coaches and buses. Layover points would need to be created elsewhere, potentially on an existing park and ride site. Apart from Britford, none of the park and ride sites has been built to accommodate coach parking, so a re-design or extension would be required. Pushing coach parking out of town might not be attractive to the coach industry (Britford is not particularly popular with operators) and would in any event involve a cost that would bear on The Maltings and Central Car Park scheme, potentially reducing its viability. Further work is needed on this issue.

Site boundaries

61. In order to avoid protracted delivery timescales and increased cost associated with land assembly, the consultants have elected to draw the boundaries of the proposed site tightly. However, the decision to exclude, as far as possible, third party land could reduce the effectiveness of the scheme in terms of the regeneration of adjoining parts of the city centre. This could increase the danger that the new development could 'turn its back' on, for example, Fisherton Street. Inevitably, the final decision on site boundaries will be a compromise, with the inclusion of additional third party land likely to diminish the viability of the overall development. The Council's objectives in promoting the scheme will also be influential in this regard.
62. Heavy goods vehicles service existing retail units through the Central Car Park. If this was to continue, it would affect the layout of any redevelopment scheme. Therefore any scheme proposal will need to address this issue.

Procurement

63. At the time of writing this report, external advice has been sought regarding both procurement and other legal issues. This will be reported to Members in Part II. The cost of this advice, estimated at between £7-10,000 will be funded from the eventual capital receipt.

Sustainable development

64. As one of the assumptions underpinning the analysis of development costs, the feasibility study allowed for new housing within the modelled scheme to be built to Level 3 of the Code for Sustainable Homes⁴. Although Level 3 represents a substantial improvement on the environmental standard of most current new houses, it is unlikely to remain the benchmark for long, as the Government has stated that it intends to make compliance with Level 6 (net zero carbon) a requirement by 2016. Compliance with ever higher standards would add to the cost of new housing development and would impact upon the viability of any redevelopment scheme that includes a residential component. The new Wiltshire Council may also have its own sustainability requirements for developments involving its land.

Planning policy

65. The 'Development Plan', against which all planning applications must be judged, currently consists of the Wiltshire and Swindon Structure Plan 2016 (approved April 2006) and the Salisbury District Local Plan (adopted June 2003). These documents are shortly to be replaced by the South West Regional Spatial Strategy and the LDF for Wiltshire, respectively.
66. Current planning policies are generally supportive of the redevelopment of The Maltings and Central Car Park, although some would tend to constrain the scope of redevelopment, most notably Local Plan Policy D6 (the 40 foot height limit). The emerging Core Strategy for South Wiltshire is likely to retain a restriction on development over 40 feet in height.
67. A development brief was prepared in connection with an earlier planning application for the redevelopment of The Maltings alone. It is recommended that this brief should be rewritten and extended to encompass the whole of the site now under consideration. It is important that this work is undertaken as quickly as possible to ensure that the proposed development makes a positive contribution to the city centre, is compliant with prevailing planning policy and achieves the objectives that the Council may set for the scheme.

⁴ The Code for Sustainable Homes came into force on 1st May 2008. The Code measures the sustainability of new homes against nine categories of sustainable design, rating the 'whole home' as a complete package. It uses a 1 to 6 star rating system to communicate the overall sustainability performance of a new home. It sets minimum standards for energy and water use at each level and, within England, replaces the EcoHomes scheme, developed by the Building Research Establishment (BRE). The Code is a mandatory requirement for social housing. Private sector housing is not currently required to comply, but developers are obliged to provide information about the sustainability of new houses in Home Information Packs. Code Level 3 homes are suggested to be 25% more energy efficient than most new homes. In 2006 the government announced a 10-year timetable towards a target that all new homes from 2016 must be built to zero carbon standards, to be achieved through a step by step tightening of the Building Regulations. Code Level 6 is equivalent to a net zero carbon standard.

Affordable housing

68. In preparing the feasibility study, the consultants allowed for 40% affordable housing across all residential elements. Members may wish to consider whether this proportion would be adequate on The Maltings and Central Car Park site, given the Council's interest in the land.

Flood risk

69. Following discussions with the Environment Agency, the consultants have established that parts of the site would be affected by a 1 in 100 year flood event and, to a lesser extent, by a 1 in 1,000 year flood event. These conclusions are supported by a Stage 1 flood risk assessment carried out as part of work undertaken for the emerging South Wiltshire Core Strategy. A Stage 2 assessment of The Maltings and Central Car Park and Churchfields has recently been commissioned in order to provide more precise, detailed results for these two potential development sites.
70. Development in flood risk areas is necessarily constrained and the local planning authority will have regard to the advice contained in Planning Policy Statement (PPS) 25, *Development and Flood Risk*, December 2006, in coming to a decision on any planning application. Where development is deemed to be acceptable there is likely to be a need to protect it from flooding, or to raise it above the anticipated flood level. In either case, there will be the need to compensate elsewhere for the lost volume of flood water storage. To create equivalent flood water storage areas elsewhere will depend on the availability of suitable land that is either within the Council's ownership, or which can be acquired. The acquisition of third party land could be very costly, particularly if it could be demonstrated that the redevelopment of some or all of The Maltings and Central Car Park could not proceed without it being made available. This is an area that clearly needs further investigation.

Next steps

71. Substantial work is required prior to a recommendation being brought to Implementation Executive or Wiltshire Council's Cabinet. The next steps in taking forward The Maltings and Central Car Park project may be divided into two components: technical assessments and due diligence; procurement and developer selection.

Technical assessments and due diligence

72. In addition to resolving the issues mentioned above, the following technical assessments will need to be undertaken:
- Topographical/levels survey
 - Site boundary survey
 - Intrusive ground investigations and soil analysis
 - Condition survey of existing structures
 - Report on legal title

Procurement and Developer Selection

73. It will be necessary to formulate a strategy for the selection of a developer partner and this will follow the legal advice on the issue of procurement.
74. This work need to be progressed to enable Members to make an informed decision on both the nature of the development and the procurement route to be followed.
75. It is **recommended** therefore to:
 - (a) Confirm the overall objective of the proposed redevelopment; namely a 'retail led mixed use' scheme as detailed in paragraphs 26, 27 and 51.
 - (b) Note the conclusions of the Alder King feasibility study and authorise officers to continue working on The Maltings and Central Car Park project.
 - (c) Agree to the preparation of a planning brief for the site.
 - (d) Receive a further report when the initial technical and legal work, highlighted in this report, has been concluded.
 - (e) Note that any recommendations pertaining to procurement and other legal issues will be considered in Part II.

Churchfields

76. The Vision plans for the transformation of the Churchfields Industrial Estate into a new mixed use city quarter in close proximity to the railway station. A significant element will be residential development supported by appropriate office and hotel uses.

Overview

77. Churchfields Industrial Estate is the major employment site serving Salisbury and accommodates approximately 200 businesses of varying types and size on a 33 hectare site. However it is not without its problems. It is especially constrained by poor access through narrow rail bridges and via residential areas. This leaves little room for future expansion and has had a negative impact on many neighbouring residential areas.
78. The business community has informed the District Council that the site is no longer adequate to allow future aspirations to be met. The Vision plans for the relocation of inappropriately sited businesses and associated HGV traffic to provide for a new quarter that meets housing demand and provides the opportunity to meet the requirements of office employers and other growing economic sectors.

Desired Outcomes

79. The following outcomes are identified as being the success criteria at the outset of the project:
- Delivery of the residential-led mixed use redevelopment of Churchfields.
 - The Project aligned with the LDF to ensure there is adequate and appropriate land available to successfully decant existing employers in and around Salisbury and that the existing protective policy preventing change of use away from employment is relaxed.
 - High quality development which sympathetically capitalises on the site's assets such as proximity to water meadows, town path, Harnham and the Cathedral views.
 - At least two green links form the east and west of the River Nadder to contribute towards the environmental and ecological aspirations of the Vision.
 - The incorporation of a central green to act as a focal point and encourage vitality.
 - The inclusion of a mix of heights of up to 6 storeys.
 - Plans in, and makes features of, key vista to the Cathedral.
 - A significant contribution to the aims of sustainability by a range of measures such as use of grey water recycling, solar power, combined heat and power, etc.
 - Safeguards and where possible enhances the natural environment.
 - Delivery of the project and adequate decant land for employment is embedded within policies of the LDF.
 - Prior to the requisite policy change to deliver the substantive ideas, that short term improvements are identified and implemented that can address a number of the ongoing problems affecting the functioning of the estate.

Policy Implications

80. By necessity this project requires fundamental planning policy change to allow it to come to fruition. The existing employment uses on the current site are safeguarded by policy and currently no residential development would be permitted. Furthermore, alternative sites to which businesses could decant have to be identified in the forthcoming Core Strategy. These interdependencies are critical to success of this project. These policy changes cannot be delivered in a piecemeal or ad hoc manner and must properly be made through the LDF.

Next Steps

Identifying Essential Infrastructure needed to allow delivery

81. This is being progressed as part of the South Wiltshire Core Strategy development work. This will allow all parties to understand and cost the barriers to development and how they may be overcome.

Constraint Identification

82. In addition to essential infrastructure, other constraints that may impact on viability need to be identified. The Spatial Plans Team is progressing a Strategic Flood Risk Assessment (Phase 2), and Appropriate Assessment under the Habitat Regulations. Potential contamination needs to be explored.

Viability Work

83. Feasibility and viability work is required to assess how the essential infrastructure and environmental improvements/mitigation will affect the ability to deliver planning gain, such as affordable housing levels on each site. Again, this is being undertaken as part of the South Wiltshire Core Strategy work, with Adams Integra being engaged. This work follows from scoping the essential infrastructure and constraints requirements above.

Seeking Commitment of Landowners

84. The recent conference, chaired by Lord Marland, was a positive first step in proving deliverability of the scheme through landowner/occupier consent. There is a need to formalise commitment and a letter should be sent to each occupier and landowner to ascertain their position.

Procuring Expertise

85. Through negotiation with landowners the Council will work to achieve a phased master plan which will allow the submission of planning applications and hence delivery immediately after adoption of the Core Strategy. This will need to include future build rates, phased infrastructure improvements, mitigation and place shaping. This work needs to co-ordinate land assembly, incentivisation of all parties, detail timings of decant and decant site requirements. It will be necessary to formulate a strategy for procurement following legal advice, which will be sought at the appropriate time.

Decant Sites

86. In tandem to exploring the potential of Churchfields, work is required to plan the decant sites to ensure that fully functional facilities will be available for relocation, when they are required. This work is underway and relies on adoption of the Core Strategy for South Wiltshire.

Master Planning and Place Shaping

87. Identification and justification of environmental improvements are required to ensure the delivery of high quality outcomes on Churchfields.

Working Arrangements

88. A Steering Group is required to co-ordinate progress and work with consultants. This should comprise Members and Officers of the Council, representatives of the Churchfields Traders, Consultants and key infrastructure providers (as required).
89. It is **recommended** therefore to note the progress towards and the next steps required to deliver the Churchfields project.

Transport Study

90. During 2008, Wiltshire County Council undertook an extensive EU-compliant tendering exercise looking for a suitable consultant who would develop a suite of new transport models. These would balance the standards set by the Department for Transport, compliant investment appraisal, and the need to consider the impact of new development to help inform the future planning and design needs of the City.
91. In September 2008, the contract was awarded to WS Atkins. Since then, work has continued within budget and on time. In March 2009 Atkins will have completed the reference case (i.e. the platform(s) on which various development scenarios can be tested).
92. The suite of models comprises:
- (i) A “macro-level” **multi-modal** model of Salisbury that represents:
 - Movements to the city from its rural hinterland;
 - Through traffic, particularly that using the A36;
 - Public transport movements including rail and park-and-ride, improved interchange and the impact of modal switching;
 - The impact of alternative land uses and new development on travel demands and the transport network;
 - The impact of different forms of demand management and parking controls on travel patterns and network performance.
 - (ii) A specially developed **parking supply** model to represent the cost and supply of off-street and central area on-street and private non-residential parking supply. This will link to the demand model to ensure that parking restraint impacts upon choice or mode and destination.

- (iii) A “**micro-level**” **simulation** model of central Salisbury, Eastern Gateway/Southampton Road and the area around Harnham gyratory that:
- Enables different traffic management options to be explored and designs developed and assessed;
 - Acts as a design and consultation tool that can assist in the development and implementation of the Vision’s urban realm strategy.
- (iv) **Air quality impacts** which can be calculated on an area-wide basis directly from traffic flows and speeds from the traffic models.

93. These models will be invaluable tools which will provide crucial evidence to support the emerging core strategy, Vision projects and any future bids for major scheme funding. However, the establishment of the reference case will not in itself provide any answers.

Next Steps

94. Beyond March 2009, the models will be used to assess a number of development/change scenarios including:
- Consideration of growth options for the City, and helping to define the most appropriate locations for development.
 - Once a preferred pattern of growth is fixed, loading the additional development onto the base model(s), and identifying the need, extent and location of any necessary transport mitigation.
 - Once a list of Vision projects has been agreed as being appropriate for taking forward in the period up to 2026, loading them as an additional layer, and assessing their additional impact and transport needs.
95. In a number of areas, outputs from the model are required to develop new/revised transport strategies that will have a major influence on the timing and form of development initiatives.
96. It will take some time to formulate and adopt new strategies, especially having regard to the need to consult on and consider a number of options.
97. Resource and funding for advancing these strategies is in place, but the pace of Local Development Framework (LDF) and Vision initiatives will need to be geared to match the processes described above. That is likely to produce difficulties if there is an attempt to accelerate development/redevelopment proposals ahead of that pace.
98. Key to the solution will be to share the proposed timescale for modelling and finalising transport outputs, and to ensure that development and Vision projects are only brought forward when it is certain that there is the evidence to support the design and delivery.

99. It is **recommended** therefore to note the implications of the inter-relationship between the development of the traffic modelling work and the development of Vision projects.

Linkages between projects

100. Whilst indicative timescales for each of the three major projects have been extracted from the various reports and plotted on a Gantt chart in **Appendix 6**, alignment and sequencing of the key tasks has not been undertaken. Until this work has been completed, there can be no certainty that the indicative timescales envisaged can be met. For example, the interrelationship with the traffic model may influence an individual project's timeline, to a greater or lesser degree.

Funding arrangements

101. The intention of the Salisbury Vision, accepted by SDC, was that capital released by the Vision Projects and identified assets should be used to support the delivery of Vision objectives. This fundamental principle was confirmed by the IE at its meeting on 28 January 2009.
102. The County Council has adopted a budget for the new Council which includes provision in its capital programme for expenditure on the Salisbury Vision, including the Market Place, totalling £3 million. £1.5 million will be financed by the sale of said assets and the balance by the provision for the Local Transport Plan.
103. At the time of writing this report, work is being undertaken to identify the assets aligned with the Vision, their current valuation, potential for and implications of disposal. This will be reported to Members in Part II.

Environmental Impact of the Proposal

104. Environmental impact assessments will be carried out as part of the technical assessments of all Vision projects. From these assessments, mitigation measures will be developed as required.

Equality and Diversity Impact of the Proposal

105. The overall Vision purpose is one of improving the quality of life within the City through the improvement of the public realm and creation of open and green spaces. Accessibility within and to the City will be improved, and additional affordable city centre accommodation will be provided through the major schemes. Accessibility will be a key determining factor in the design of major schemes and Equality Impact Assessments will be undertaken.

Risk Assessment

106. The majority of recommendations are in relation to continuing the development of the major projects and the overall management of the Vision, with reports

returning to Implementation Executive or the Wiltshire Council's Cabinet when decisions are required.

107. The Salisbury Vision has a well developed Risk Log which is updated at each Vision meeting. Following the IE meeting of the 16 March 2009, the Risk Log will be updated to reflect decisions and recommendations made at that meeting.
108. The risk associated with the establishment of the Vision SPV has been mitigated through creating an advisory partnership with the Council being required to consent to any actions taken on its behalf.
109. Not to progress this work would constitute a major reputational risk for the new Wiltshire Council in South Wiltshire, especially in respect of the Authority's standing with the business community.

Financial Implications

110. Revenue costs associated with the Creation of the Vision SPV are within the current revenue budget of the Economic and Enterprise Service.
111. The County Council has adopted a budget for the new Council which includes provision in its capital programme for expenditure on the Salisbury Vision, including the Market Place, totalling £3 million. £1.5 million will be financed by the sale of said assets (and the balance by the provision for the Local Transport Plan).
112. At the time of writing this report, work is being undertaken to identify the assets aligned with the Vision, their current valuation, potential for and implications of disposal. This will be reported to Members in Part II.

Legal Implications

113. At the time of writing this report, external advice has been sought regarding both procurement and other legal issues. This will be reported to Members in Part II.

Options Considered

114. This report is one of a series relating to the ongoing development of the Salisbury Vision. In developing the recommendations placed before Members, the following options were considered:
 - (i) Recommend a holding position be adopted until all pertinent information was available from which Members could make decisions on the major projects.

Rejected: To delay would risk major reputational damage to the new Council and much of the information required to make informed decisions on major projects will only be available through further work being undertaken.

- (ii) Recommend moving forward the project management and committing to the ongoing development of the Vision projects, but withholding decisions until such time as the appropriate information on which to base decisions is available.

Supported: Rationale is explicit within the report.

- (iii) Recommend the IE commit financial resources to the Vision projects outside of the proposed budget agreed and without an understanding of the financial value of assets aligned to the Vision.

Rejected: Not considered prudent.

Conclusion

- 115. Implementation Executive has affirmed and reaffirmed its support for the Salisbury Vision, including the delivery of major projects as a priority. However, it is recognised that the Vision is a long term aspiration and that the majority of projects require considerable lead in time prior to delivery. In supporting the establishment of the Vision SPV and the continued development of the major Vision projects, the Implementation Executive is committing to the delivery phase of the Vision and will, in due course, need to consider each individual project as and when financial, legal and technical considerations require Member decisions.

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March 2009

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

Alder King Property Consultants – Development Feasibility Study in respect of the Malting & Central Car Park Salisbury July 2008

Appendices

List any appendices referred to in your report.

1. SPV: Terms of Reference and membership of the Executive Board
2. Membership of Technical Panel and Judging Panel
3. Design Tea A summary of submission
4. Draft budget
5. Core development site plan for the Maltings
6. Project linkage Gantt