

CHESHIRE EAST COUNCIL

REPORT TO: Cabinet

Date of Meeting:	28 May 2012
Report of:	Strategic Director – Places & Organisational Capacity
Subject/Title:	South Macclesfield Development Area
Portfolio Holder:	Councillor J Macrae/Councillor M Jones

1.0 Report Summary

- 1.1 The Council is leading a new vision for the regeneration of South Macclesfield Development Area, a 63 hectare strategic site in the north of the Borough. The site was identified as a major development opportunity for the Council in the Macclesfield Economic Masterplan 2010.
- 1.2 This report sets out the current intentions, proposed delivery strategy and leadership role of the Council to develop the site and help existing businesses as well as community facilities to relocate over the coming years.

2.0 Decision Requested

Cabinet endorses the overall outline vision and delivery strategy for the site.

Cabinet agrees to the commencement of work to define a set of intentions for SMDA and to develop a procurement strategy to select a development partner through OJEU.

3.0 Reasons for Recommendations

- 3.1 The Council is a major landowner in the site and without direct intervention it is likely that the site would remain undeveloped in the medium-term despite it being allocated for development in the current Macclesfield BC 2004 Local Plan.
- 3.2 The development of the site also provides the opportunity to create much needed investment to the south of Macclesfield and deliver wider employment and social benefits to areas adjacent to the site which suffer from high levels of relative deprivation in Cheshire East terms.
- 3.3 The site also offers the Council the potential to consolidate a range of services as part of an overall masterplan including depot/waste management operations and possible new leisure/lifestyle offer.

4.0 Wards Affected

- 4.1 Macclesfield South and Gawsorth

5.0 Local Ward Members

- 5.1 Cllr Damien Druce/ Cllr Laura Jeuda and Cllr Lesley Smetham.

6.0 Policy Implications including – Carbon Reduction - Health

- 6.1 Development proposals emerging from the South Macclesfield Development Area work will be required to demonstrate appropriate analysis of implications for wider public policy issues including sustainability, environmental impact, health, culture, transport, learning, etc. All key stakeholders have been engaged in the process to identify issues and opportunities to maximise both the community and commercial benefit and deliverability of proposed scheme.
- 6.2 The issue of climate change and sustainability will be a key feature of all new development proposals within SMDA. There is the potential for this Council to take a lead in developing sustainable solutions to major development and make use of new technologies and design solutions, to include innovative proposals for heat and power supplies along with sustainable drainage solutions to minimise the environmental impacts of any development proposals.
- 6.3 The construction of a new link road which is a key feature of the proposals for the South Macclesfield Development Area will provide the opportunity to reduce congestion and travel times within this part of Macclesfield thereby having a positive impact by reducing carbon emissions from vehicular movements.
- 6.4 In addition to the environmental considerations noted, any reductions in carbon emissions as a result of reduced congestion and traffic movements will have a positive health benefit as a result of improved air quality management.
- 6.5 Development proposals will include a major leisure facility which will encourage participation in sports and healthy lifestyle activities thereby making a positive health impact on residents of Macclesfield and surrounding areas.
- 6.6 Alternative sustainable modes of transport will be encouraged in the SMDA to promote cycling and walking which will contribute to the positive health impacts.

- 6.7 This work will provide the opportunity to add to the work being carried out for Macclesfield Town Centre and will help to join up policy across Cheshire East for the benefit of Macclesfield and the rest of the Borough.

7.0 Financial Implications (Authorised by the Director of Finance and Business Services)

- 7.1 There is a Town Centre Regeneration project within the 2012/13 Capital programme of which it is intended that £300k is allocated to this project to cover the costs of the initial masterplanning and procurement fees. A bid has been submitted to the Cheshire and Warrington Local Enterprise Partnership for Growing Places Funding.
- 7.2 If there is a need for any compulsory purchase process to assemble the SMDA or development sites within it then, unless the selected development partner will underwrite the costs, there will be significant land acquisition, compensation and consultants costs in respect of the cpo and associated orders.
- 7.2 A Spend profile for fee expenditure is included in Appendix 1. In the event that preliminary expenditure does not lead to the development of capital schemes it will need to be written off to the revenue account.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The Council is obliged to comply with the Public Contract Regulations. If procuring a developer appointment after a proper competitive tender process through OJEU the Council will be in compliance with the Regulations. External legal advice throughout the OJEU process will be needed and the financial allocation referred to in 7.1 assumes this. A decision would be made as to which procurement procedure should be used as an early aspect of development of the procurement strategy.
- 8.2 At this early stage it is impossible to identify the legal issues and considerations which will arise but it is possible that the Council will consider use of its compulsory purchase powers and the need for stopping up or diversion of highways and footpaths in due course. Other matters which will or could be of legal relevance include environmental issues and responsibilities, procurement of contracts other than the developer appointment, the need for provision or interference with utilities and highway and planning considerations.
- 8.3 When the Council is disposing of any land it must comply with section 123 of the Local Government Act 1972 (the duty to obtain best consideration) unless it can rely on the Local Government Act 1972 general disposal consent (well being justification) and the conditions to that consent are satisfied or the Secretary of State's specific consent is given. The 2003 consent does not

apply to land which is compulsorily purchased for planning purposes. The Council must also have regards to its fiduciary duty.

- 8.4 The intentions expressed in this report should not fetter the Council's discretion in relation to the emerging Cheshire East Local Plan or any planning applications for the site which as stated in section 10, must be determined in accordance with the Development Plan unless material considerations indicate otherwise.

9.0 Risk Management

- 9.1 A viability study and commercial study are currently being undertaken at minimal cost to the Council, utilising parts of the Macclesfield Economic Masterplan as a basis. A Live Risk Matrix is also in place and will be monitored through the course of the project using the Councils Project Management Framework.

10.0 Background and Options

- 10.1 SMDA is a 63 hectare site designated for employment to the south of the town which has not come forward for the mix of uses previously envisaged despite numerous attempts over the last fifteen years. The area is allocated in the Macclesfield Borough Local Plan for employment, retail and open space uses.

Planning Policy Overview:

Approximately 22ha of land is allocated for employment purposes (B1, B2 and B8 uses). Policy E6 requires that part of the land should be made available for the expansion and relocation of local firms, and for open space and bad neighbour uses where this would not adversely affect the operation or amenity of neighbouring uses. Access to the employment development should be taken from the proposed distributor road; existing trees, water courses and natural habitats should be retained and enhanced as appropriate; and necessary infrastructure, open space and structural planting should be provided. Development would be required to contribute to the construction of the distributor road, necessary infrastructure, open space and structural planting.

Under policy S3, approximately 10ha of land is allocated for shopping and may include car showroom and roadside facilities, and ancillary leisure and recreational uses, providing that the type and scale of development does not prejudice the vitality and viability of centres nearby. Again, access should be taken from the proposed distributor road and development will need to contribute to the construction of the proposed distributor road and replacement playing fields.

Despite some interest in the site, development on SMDA has failed to come forward since the site was allocated in 1997. As the Council develops its new Local Plan, there will be an opportunity to review land allocations on undeveloped sites such as SMDA.

In advance of the new Cheshire East Local Plan, the Council has approved an Interim Planning Policy on the Release of Housing Land to help manage housing delivery in the absence of a 5 year deliverable supply of land for housing. Although not part of the Development Plan, this policy can be a material consideration in the determination of planning applications. The Interim Policy encourages residential development to be provided as part of mixed-use developments in regeneration areas. In addition, the new National Planning Policy Framework has introduced a presumption in favour of sustainable development.

As a result, residential-led mixed-use regeneration, although a deviation from existing Local Plan policy, may be considered an acceptable way forward at SMDA. Planning applications should be determined in accordance with the Development Plan unless material considerations indicate otherwise. Therefore, a different mix of uses to those proposed in the Local Plan could be tested through the submission of a planning application.

The Council has recently appointed Arup and Colliers to carry out a Borough-wide “Employment Land Review” which will assess the supply and demand for employment land and premises in Cheshire East up to 2030. This document will form a key piece of evidence in developing the new Local Plan and can also be a material consideration in the determination of planning applications. This study is currently in development but early indications are that SMDA could be considered for partial release from its current employment allocation to enable employment to come forwards as part of a mixed use scheme. The final document is expected to be published at the end of May 2012.

10.2 The vision for the site is to provide leisure-led development and deliver a range of first class sporting and leisure facilities for Macclesfield. In addition the site could enable Macclesfield Town Football Club to relocate onto the site and build a new community sports stadium.

10.3 Aspirations for the site currently include:

- A Leisure led development featuring sustainable development in the form of outdoor recreation, a potential relocated Macclesfield Town FC Stadium, tangible supporting leisure infrastructure & facilities - and links to wider recreational possibilities in this part of south Macclesfield.
- Housing that meets the Strategic Housing Needs Assessment and forthcoming Town Strategy for Macclesfield of Cheshire East Council.
- A purpose built ‘Depot facility for Cheshire East Council which includes provision for a Waste Handling and Waste Transfer facility, including support for Waste Handling facilities, vehicle testing and

engineering workshops as well as wider Transport and Highways functions.

- The potential for a Lifestyles Centre and the potential for enhancing the Council's leisure provision and other key community sports and recreation ventures.
- A strategic development led link road that equally encourages existing and newly created employment uses into the Area in a Planning system (Local Development Framework, Core Strategy Spatial Strategy and emerging Cheshire East Local Plan) led manner.

10.4 The project will require the Council over the next six months to further specify the service requirements in relation to:

- Depot facilities
- Infrastructure/highway requirements
- Housing supply requirements
- Lifestyle/leisure facilities –both indoors and outdoors
- Potential for wider health/wellbeing facilities

10.5 The project will be delivered through a partnership approach with the local communities and adjacent Parishes in order to encourage engagement with the intended facilities - and 'cross fertilisation' with key infrastructure and routes in and out of this part of south Macclesfield.

10.6 No employment displacement should result from any of the proposals and therefore it will be essential to reprovide, as well as compensate for any displaced businesses resulting from the redevelopment.

10.7 The Council holds freehold interests in approximately 26.5 hectares. Some of the remaining approx 63 hectares is registered freehold land but other parts are unregistered land so ownership cannot be ascertained from publicly accessible documents. There will be third party rights and interests in the site such as leasehold rights, rights of access and drainage and potentially options and rights of pre-emption.

10.8 The lack of development of the site to date highlights the range of problems associated with the area including, multiple land ownerships; extensive remediation requirements (the site was historically worked 'peatlands' and poor grazing land); infrastructure demands which may include crossing the West Coast Mainline railway and the adjacency to the Danes Moss landfill site as well as businesses and housing along Moss Lane.

10.9 The Council is currently reviewing all land use allocations across the Borough as part of the new Local Plan and the deliverability of this site needs to be tested further as outlined in this paper to determine whether it can remain as designated land for development in the future.

- 10.10 The key infrastructure requirement of SMDA is the need for a strategic development link road between the A535 Congleton Road and the A523 London Road.
- 10.11 This link road will need to serve new development, possible existing highways linkages in the Craig Rd/Moss Estate areas as well as act as a catalyst to bridleway, greenway, public rights of way and similar amenity linkages within and beyond SMDA.
- 10.12 Other infrastructure includes, mains drains, balancing lagoons (surface water attenuated outfalls), telecoms and data fibre ducts, other statutory undertakers infrastructure and measures to deal with ecological and sustainability factors. There are existing drainage outfalls to public & private watercourses not only from the existing SMDA lands, but also the Danes Moss landfill site.
- 10.13 The site is also located adjacent to the Moss Estate, which is one of the most deprived parts of Cheshire East. Several lifestyle and health deprivation issues prevail, not least one of the lowest life expectancy rates in Cheshire East for both men and women. It has double the Cheshire East average unemployment, low average weekly incomes, double the Cheshire East rate of pupils entitled to free School meals 88% of houses are in Council Tax bands A-C,
- 10.14 External advice has been taken from Addleshaw Goddard LLP as to whether certain delivery options identified by the Council offer a viable procurement route / model which is or could be structured so as to be EU compliant .
- 10.15 Four delivery options have been considered from a legal and practical delivery perspective, the overall objective of the Council being to deliver its required outcomes with minimum cost and time delays associated and without protracted legal and procurement processes.
- 10.16 The Four Options are:
- Option 1 - the development of the Site by one of the major landowners without a call for competition
 - Option 2 - a joint venture with the major landowner(s) without a call for competition.
 - Option 3 - a developer-led approach with the developer being appointed after a competitive tender process through one OJEU process.
 - Option 4 - a Council-led development of the Site through collaboration with landowners and potentially agreements with developers or end users, probably involving a number of OJEU processes.

- 10.17 The recommended option to help to achieve the aspirations of the Council is Option 3, with the Council taking an initial lead in developing an outline masterplan for the site with the delivery through a developer partner to be selected via an OJEU procurement process.
- 10.18 The costs and time associated with the OJEU procurement process and any required CPO process clearly impact on the timetable and overall financial position of the scheme; however, Addleshaw Goddard LLP have made suggestions as to how, by preparation, the Council could make the procurement process shorter and more efficient and have highlighted risks and/or potential costs and time delays associated with the alternative Options.
- 10.19 The preparation process, which typically will take 6-12 months, would be intended to enable identification of the Council's required outcomes and certain detailed requirements before it decides upon and moves into the OJEU process enabling evaluation of bidders against a tightened up brief and outcomes expectations.
- 10.20 Initial master planning to identify aspirations for the site is intended in the preparation stage but the Council will need to ensure that the initial master planning does not set undeliverable aspirations from a commercial perspective nor constrain the innovation and ideas we will expect to come through the procurement process. The preparation stage will therefore include soft market testing with the development industry and will be carefully scoped to leave room for our future development partner to shape the proposals but within a tight performance and outcome-based framework agreement –not least that the Council will hope to achieve low carbon, sustainable development and that any new SMDA Supplementary Planning Document within the emerging Cheshire East Local Plan, will feature high public engagement and high design and lifestyles quality.
- 10.21 The initial stage will also support the Council in identifying service requirements as outlined in 10.4.
- 10.22 The key stages and sample timelines associated with this approach are listed below:

Stage 1 Masterplanning/Preparation stage

- Viability, commercial and initial site investigative studies to include likely benefits realisations for the Council as well as outline scoping options
- Soft market testing
- Development of the masterplan including detailed site investigations/ refined commercial viability, ongoing Council services consultations as well as public engagement consultations.
- Specification of outcomes and requirements
- Development of the procurement strategy (including deciding if competitive dialogue is the right process) and employer's requirements documents

- Development of the planning policy framework

Stage 2 Procurement (assuming Competitive Dialogue)

OJEU advertisement and pre-qualification of 4 participants

- Outline solutions and down-selection to 2 participants
- Dialogue and detailed solutions;
- Final tenders and selection of preferred participant;
- Contract award and execution of the development agreement

Stage 3 Planning/CPO

- Preliminary planning applications; surveyor valuations inputs/potential ramifications and CPO referencing to be made in the later stages of the procurement process stage
- Issuing and 9-12 month CPO inquiry to deal with objections once the development agreement is agreed
- Confirmation
- Submission of detailed planning applications for Phase 1.

Stage 4 Implementation

- Phased implementation as set out in Development Agreement/Planning Approval

10.23 An overall project plan with indicative timelines is shown in more detail as Appendix Two.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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Appendix 1

SMDA Detailed Investigations Fee Profile

Date		17/04/12	2012/13													
		Total £000's	Apr £000's	May £000's	Jun £000's	July £000's	Aug £000's	Sept £000's	Oct £000's	Nov £000's	Dec £000's	Jan £000's	Feb £000's	Mar £000's	Total £000's	
Budget	300,000.00															
	Budget	Actuals														
Investigations																
Ecological Surveys	25,000.00				8,000.0		8,000.0		9,000.0						25,000.0	
Traffic Impact Assessment	25,000.00						12,500.0		12,500.0						25,000.0	
Site Investigations	35,000.00					11,000.0		11,000.0		13,000.0					35,000.0	
Masterplanning	50,000.00				5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	50,000.0	
Quantity Surveyor	15,000.00						7,500.0			7,500.0					15,000.0	
Market Testing	10,000.00					2,500.0		2,500.0			5,000.0				10,000.0	
AMS Project Management	25,000.00													25,000.0	25,000.0	
Development Partner Procurement advice	20,000.00						10,000.0		10,000.0						20,000.0	
Development Partner Legal Advice	80,000.00					20,000.0		20,000.0		20,000.0		20,000.0			80,000.0	
Current Commitment	285,000.00		0.0	0.0	13,000.0	38,500.0	43,000.0	38,500.0	36,500.0	45,500.0	10,000.0	25,000.0	5,000.0	30,000.0	285,000.0	
Balance	15,000.00															15,000.0

Appendix 2

SMDA PROGRAMME PLAN



