

CHESHIRE EAST COUNCIL

CABINET

Date of Meeting:	4th March 2013
Report of:	Interim Strategic Director Places & Organisational Capacity
Subject/Title:	South Macclesfield Development Area
Portfolio Holder:	Councillor Jamie Macrae Portfolio Holder for Prosperity & Economic Regeneration

1.0 Report Summary

- 1.1 The Council has prioritised the development of the South Macclesfield Development Area (SMDA), a 63 hectare strategic site partly in the Council's ownership (Appendix 1, Figure 1). Without a proactive approach, 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, and the Council's current draft Development Strategy.
- 1.2 This report updates Cabinet on progress with the masterplanning consultancy work that was commenced last year, particularly in relation to phasing of planning and development and the options for the wider delivery strategy. Separately, it also seeks approval for the Council to fund and acquire options or interests in additional sites in the SMDA area to facilitate more cohesive development, and optimise the timescale for delivery of new development.

2.0 Decision Requested

- 2.1 Cabinet is requested to:
- i) consider progress in identifying options and delivery strategy for development of the South Macclesfield Development Area site in Macclesfield shown approximately on the attached plan, including Council-owned land, and
 - ii) agree that the Interim Chief Executive or his identified nominee, in consultation with the Cabinet Member for Prosperity & Economic Regeneration, and subject to taking advice from the Monitoring Officer and the Chief Financial Officer or their identified nominee(s), be given delegated authority to acquire options or interests in additional land in the area known as the South Macclesfield Development Area, which is not already in the Council's ownership, on such terms and conditions as he considers are appropriate, subject to these not involving any departure from the Council's Budgetary and Policy Framework, or any other Cabinet or Regulatory Committee Policy. The acquisition of

interests will be funded from the Council's capital programme. This component may require additional funding and will be subject to the scrutiny and endorsement of the business case by the Technical Enabler Group and the Executive Monitoring Board

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, and the Council's current draft Development Strategy
- 3.2 The development of the site also provides the opportunity to create much needed investment to the south of Macclesfield, contribute to the Council's requirements for a housing land supply, and deliver wider employment and social benefits to areas adjacent to the site which suffer from relatively high levels of deprivation in Cheshire East terms.
- 3.3 The acquisition of additional sites in the SMDA area will consolidate the Council's landholding without reliance on compulsory purchase powers and provide it with greater control over the development and delivery of the area, ensuring it is more cohesive and sustainable, and help optimise the timescale for delivery.

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 may include a 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 Current activity relating to site investigations, master planning and the outline planning application for the proposed food store are being funded through the existing capital programme allocation for Town Regeneration & Development.
- 7.2 In seeking to acquire options or interests in additional sites to enhance viability and deliverability of the master plan, additional funding from the capital programme may be required, which will be subject to the endorsement of the business case by the Technical Enabler Group (TEG) and the Executive Monitoring Board (EMB) as part of the gateway process.
- 7.3 Updates to the capital programme and details of the additional funding requirements for the scheme will be subject to the relevant approval under the Financial Procedure Rules.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 Before committing to acquire any interest in any additional land officers will undertake title due diligence and report on any covenants, third party rights and other matters relevant to establishing the value of the interest

and / or affecting the potential future use or development of the relevant land. It is often possible to cleanse title once acquired by a Council through appropriation for planning purposes or even Compulsory Purchase (CPO), but a cost would be attached to this. It may be possible and prudent to take options to purchase land or conditional contracts for purchase as opposed to outright acquisitions.

- 8.2 In terms of the delivery of the SMDA masterplan, it is not possible at this stage to identify the legal issues and considerations which will arise. 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 the need for reprovision of playing fields and planning considerations.
- 8.3 It should be noted that 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. It is recognised that external legal advice throughout the OJEU process will be needed. A decision would be made as to which procurement procedure should be used as an early aspect of development of the procurement strategy.
- 8.4 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 Council must also have regards to its fiduciary duty.
- 8.5 It should be noted that if the Council wishes to oblige a purchaser of the intended food store site to perform works, then it will need to comply with the Public Contract Regulations 2006. This will entail the Council undertaking an EU compliant procurement exercise. Should the Council proceed down this route, requisite time and resource for the process will need to be build into the business plan.

9.0 Risk Management

- 9.1 As part of the Council's current capital programme, a masterplanning exercise is being undertaken that seeks to identify all site issues, development and deliver options. A live Risk Matrix is also in place and will be monitored through the course of the project using the Council's Project Management Framework.
- 9.2 It should be noted that, if the Council proceeds in acquiring interests in other land in the SMDA area, but development doesn't subsequently occur, the Council may have to bear some abortive costs.

10.0 Background and Options

- 10.1 South Macclesfield Development Area (SMDA) is allocated in the Macclesfield Borough Local Plan for a mix of uses including employment, retail and open space. Development has not come forward for the mix of uses envisaged despite numerous attempts over the last fifteen years.
- 10.2 The emerging *Cheshire East Local Plan: Shaping Our Future* builds on the Draft Macclesfield Town Strategy and identifies SMDA as one of four Strategic Sites in and around Macclesfield.
- 10.3 The Council's draft Development Strategy (*A Development Strategy for Jobs and Sustainable Communities*) will inform the final submission draft of the Local Plan. It states that, taken together, the four Macclesfield Strategic Sites could be expected to deliver 3,500 new homes and 20ha of employment land up to 2030.
- 10.4 The draft Development Strategy is subject to public consultation up until 26th February 2013.

SMDA Masterplanning

- 10.5 In May 2012, Cabinet endorsed an overall outline vision and delivery strategy for the site, and agreed to the commencement of work to define a set of intentions for SMDA and develop a procurement strategy to select a development partner through OJEU.
- 10.6 Subsequently, in September 2012, BE Group was commissioned to provide masterplanning consultancy services to help the Council progress this work.
- 10.7 The masterplanning consultancy services will produce a development framework which defines development potential relative to current policy objectives, detailed appreciation of site constraints and market conditions.
- 10.8 The overall intention of this exercise is to facilitate the delivery of development, and the aim is to define a practical and feasible picture of development potential, which will stimulate development activity in the short to medium term.
- 10.9 To this end, the project involves consulting directly with developers so that proposals are grounded in an appreciation of market conditions and expectations, and are geared around future marketing and developer procurement processes.
- 10.10 The masterplanning work currently ongoing has identified that there is clear demand from residential developers, both for the Macclesfield area generally and the SMDA site in particular. The scale of development is still being considered by consultants as part of the masterplanning exercise, with an expectation that it could deliver around 1100 new homes. This

would be likely to be the optimum number in terms of value; whilst a higher volume could be achieved, this would be unlikely to deliver higher value as it would higher density, lower value units.

- 10.11 Through soft market testing it is evident that there is demand from food retailers for a presence at SMDA, which would provide a counterbalance to the concentration of food retailers to the north of the town. Interest in this is for an immediate development, and can be dealt with as a first phase of the SMDA development, as detailed below, and as identified in Appendix 1, Figure 2.

SMDA 'Phase 1' – proposed food store

- 10.12 Although development has not been delivered by the market under previous policy provisions, SMDA remains a vital part of the Council's development strategy. It is therefore considered essential for the Council to take the initiative and promote the first phase of development.
- 10.13 The objective of doing this is to proactively stimulate market interest, build confidence in the market by confirming the Council's continued intent to deliver SMDA, and create new physical infrastructure which will help to unlock the site as a whole.
- 10.14 The proposed phase 1 development is a food store, to be located in the south west corner of site. Soft market testing has confirmed keen interest from food store operators to progress such a scheme in the short term.
- 10.15 The proposed development would take place entirely within Council-owned land fronting Congleton Road. It would be based on the principle that it must deliver a new junction on Congleton Road, which will function as a key connection point within the proposed Macclesfield Relief Road (i.e. this will be the point from where a connection will ultimately be made through SMDA to London Road).
- 10.16 The proposals would involve the relocation of existing playing pitches and it is proposed, at this stage, that new pitches would be included as an integral part of the development. It is also proposed that that the pitches would – together with new changing facilities and car parking - be relocated immediately north of the new food store, bringing them closer to existing residents of south Macclesfield.
- 10.17 It is proposed that an outline planning application be submitted by the Council for this 'Phase 1' development in March 2013. A consultation event with key stakeholders took place on 14th February, and wider consultation will follow as part of the planning application.
- 10.18 Delivery is envisaged by sale of land to a retailer / developer for this food store element once outline planning consent is obtained.

SMDA site delivery plan

10.19 The intention is for the masterplanning to inform the preparation of a planning application seeking outline planning permission for mixed use development across the whole of SMDA. The current intention is for this planning application to be submitted before the end of 2013.

10.20 Obtaining outline planning permission for the whole of SMDA will complement the phase 1 proposals and facilitate delivery. It will;

- Provide developers with certainty about the feasible extents of development and the practicalities of access.
- Show how certain technical issues which have historically held the site back could be unlocked (e.g. delivering the relief road / opening up access and remediating ground conditions etc) and therefore build confidence in the developer market.
- Help to inform land assembly, including purchase and/or disposal. This may, if required, include supporting Compulsory Purchase processes by the Council.

10.21 The Council has been in informal dialogue with landowners in respect of the acquisition of interests in other sites located within the South Macclesfield Development Area. No offers have yet been made, but progress within the planned timescale and our requirement in ensuring that market interest is captured will require imminent acquisition of certain interests. Independent advice has been sought in relation to the value of the land within the context of the emerging masterplan, which will focus on commercial deliverability. It will also ensure that enhanced 'marriage value' is obtained through increasing the amount of land in single party ownership or control (the Council), thereby increasing both deliverability / control of timetable, and commercial viability, through greater influence on the design of the masterplan and economies of scale in terms of uses, infrastructure, etc.

Delivery strategy

10.22 In terms of the route to delivery, the options being considered by the Council include:

- i) a developer-led approach, with a master developer being appointed after a competitive tender through the OJEU process. This is the current preferred approach.
- ii) parcelling up smaller development sites for disposal and development
- iii) development through a partner approach, for example using the Council's proposed Developer Panel framework, which is in the process of being established alongside a new Development Company.

- iv) a more phased approach, involving other site acquisitions through negotiation or compulsory purchase.

10.23 These options are still being explored further, balancing the priorities of financial deliverability and pace of delivery. A commercial appraisal of the options will be critical in informing the preferred approach. In any case, the Masterplanning will, in effect, provide a prospectus and marketing tool for attracting interested parties, and could potentially be used in the procurement process itself.

10.24 It should also be noted that, in light of emerging policy objectives, and the views taken from the market, at this stage it is possible that the development mix proposed by the Mastplanning may adjust previous planning policy provisions, including the mix / amount stated in the Council's draft development strategy.

11.0 Access to Information

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

Name: Jez Goodman

Designation: Economic Development & Regeneration Manager

Tel No: 01270 685906

Email: jez.goodman@cheshireeast.gov.uk

Appendix 1

Figure 1: Location of South Macclesfield Development Area

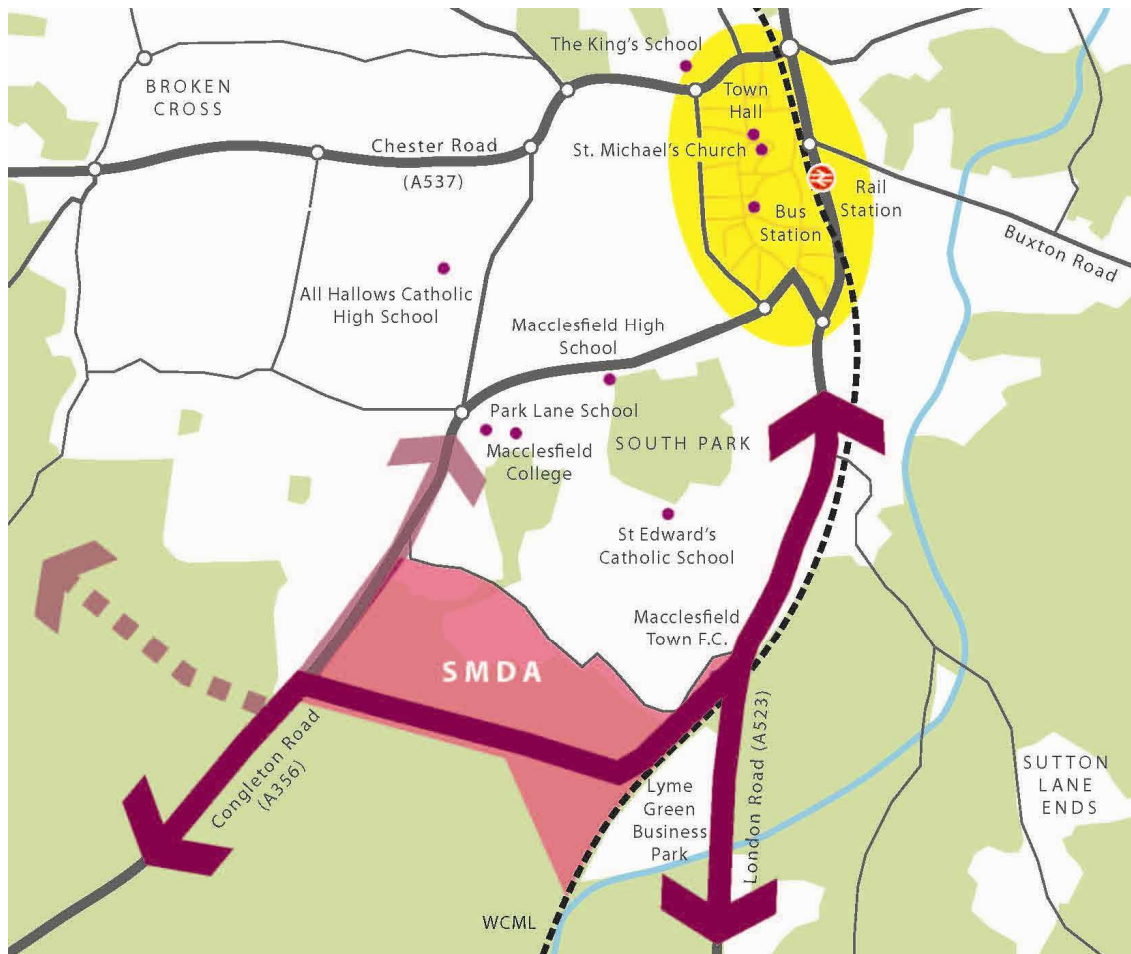


Figure 2: Site of proposed planning application (yet to be submitted)

