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TO: ALL CABINET MEMBERS

(Copy to recipients of Cabinet Papers)

Our reference CS Your reference N/A Contact Claire Skoyles Direct Dial 01284 757176

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21 March 2016

Dear Councillor

ST EDMUNDSBURY CABINET - TUESDAY 29 MARCH 2016

I am now able to enclose, for consideration at next Tuesday 29 March 2016 meeting of the St Edmundsbury Cabinet, the following reports that were unavailable when the agenda was printed.

Agenda Item No

9. Recommendations from the Sustainable Development Working Party: 17 March 2016 (Pages 1 - 8)

Report No: CAB/SE/16/016

10. <u>Western Way, Bury St Edmunds Development Site Phase 2 (PSV II)</u> (Pages 9 - 16)

Report No: CAB/SE/16/017

12. <u>Exempt Appendix: Western Way, Bury St Edmunds Development</u> Site Phase 2 (PSV II) (para 3) (Pages 17 - 22)

Exempt Appendix 1 to Report No: CAB/SE/16/017

Yours sincerely

Claire Skoyles Democratic Services Officer HR, Legal and Democratic Services

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Cabinet



Title of Report:	Recommendations of the Sustainable Development Working Party – 17 March 2016		
Report No:	CAB/SE/16/016		
Report to and dates:	Cabinet 29 March 2016		
	Extraordinary Council (for Recommendation (2) below only)	19 April 2016	
Portfolio holder:	Alaric Pugh Portfolio Holder for Planning and Growth Tel: 07930 460899 Email: alaric.pugh@stedsbc.gov.uk		
Chairman of the Working Party:	Alaric Pugh Sustainable Development Working Party Tel: 07930 460899 Email: alaric.pugh@stedsbc.gov.uk		
Lead officers:	Chris Rand Principal Planning Officer (Major Projects) Tel: 01284 757352 Email: chris.rand@westsuffolk.gov.uk Peter Gudde Service Manager – Environmental Health Tel: 01284 757042 Email: peter.gudde@westsuffolk.gov.uk		
Purpose of report:	On 17 March 2016, the Sustainable Development Working Party considered the following substantive items of business: (1) West Suffolk Community Energy Plan - Update (2) Western Way Masterplan (Revised)		

	T _			
Recommendation:	It is <u>RECOMMENDED</u> that:			
			ffolk Community Energy Plan – (Report No: SDW/SE/16/004)	
	The capital allocation approved for the development of a rent-a-roof solar scheme for business, as agreed by the Council (Report No: CAB/SE/14/009 dated 2 December 2014 refers), be extended to support such investment schemes as set out in Section 1.3 of Report No: SDW/SE/16/004, based on renewable power, heat and energy efficiency financing. (2) Western Way Masterplan (Revised) (Report No: SDW/SE/16/003) Subject to the approval of full Council, the Masterplan for Western Way, as set out in Appendix A to Report No: SDW/SE/16/003, be adopted as non-statutory planning			
Key Decision:		guidance. Is this a Key Decision and, if so, under which		
(Check the appropriate box and delete all those that do not apply.)	definition? Yes, it is a Key Decision - ⊠			
	(Report No SDW/SE/16/004) (a) A key decision means an executive decision which, pending any further guidance from the Secretary of State, is likely to: (ii) result in any new expenditure, income or saving of more than £50,000 in relation to the Countrievenue budget or capital programme;			
	No, it is not a Koy Desision. ✓			
	No, it is not a Key Decision - \boxtimes (Report No SDW/SE/16/003 – full Council decision)			
The decisions made as a result of this report will usually be published within				
	48 hours and cannot be actioned until five clear working days of the			
publication of the decision have elapsed. This item is included on the Decisions Plan.				
Consultation: See Report Nos SDW/SE/16/003 and 004				
Alternative option(s): See Report Nos SDW/SE/16/003 and 004				
Implications:				
Are there any financia If yes, please give det	•	tions?	See Report Nos SDW/SE/16/003 and 004	
	Are there any staffing implications?		See Report Nos SDW/SE/16/003 and 004	
	Are there any ICT implications? If		See Report Nos SDW/SE/16/003 and 004	

Are there any legal and/or policy implications? If yes, please give details		See Report Nos SDW/SE/16/003 and 004		
Are there any equality implications? If yes, please give details		See Report Nos SDW/SE/16/003 and 004		
Risk/opportunity assessment:		(potential hazards or opportunities affecting corporate, service or project objectives)		
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)	
See Report Nos SDW/S	E/16/003 and 004			
Ward(s) affected	•	(1) All Wards(2) Minden and Risbygate Wards		
Background papers: (all background papers are to be published on the website and a link included)		Sustainable Development Working Party: 17 March 2016 Report No SDW/SE/16/003; Appendix A; & Appendix B (Appendices to the draft Western Way Masterplan document are also available via the following link: http://www.westsuffolk.gov.uk/Council/Consulta tions/westernway.cfm) Report No SDW/SE/16/004		
Documents attached:		None		

1. Key issues and reasons for recommendations

1.1 <u>West Suffolk Community Energy Plan – Update (Report No SDW/SE/16/004)</u>

- 1.1.1 In December 2014, the Councils of St Edmundsbury Borough Council and Forest Heath District Council approved the implementation of the West Suffolk Community Energy Plan. Improvements in energy efficiency deliver immediate savings generally with short financial paybacks. In addition, achieving certain levels of building energy efficiency is a requirement for the highest renewable energy tariffs.
- 1.1.2 The Councils' decision in 2014 set out the shared aim for all in West Suffolk to be able to make sustainable energy choices, reduce the impact of energy cost volatility and move from fossil fuels. Under the Community Energy Plan, the Councils have been working to combine current energy efficiency work with a renewable energy investment programme to be able to fulfil the following outcomes:
 - A long term, sustainable source of revenue for the Councils
 - Households, businesses and communities in West Suffolk which are less reliant on fossil-based energy
 - Locally-owned renewable energy generation to the benefit of the local taxpayer.
- 1.1.3 With regards to local energy generation, a range of opportunities were identified during the development of the Community Energy Plan and a summary of progress made to deliver these opportunities was set out in paragraphs 1.2.2 to 1.2.8 of Report No SDW/SW/16/004.
- 1.1.4 In relation to other investment opportunities, feasibility studies had been undertaken to develop renewable heat opportunities using the Government's Renewable Heat Incentive. The studies had identified the following opportunities, the detail of which was set out in paragraph 1.3.1 of the report:
 - (a) Biomass Heating at West Stow Country Visitor Centre
 - (b) LED lighting replacement at leisure centres operated by Abbeycroft Leisure Centre
 - (c) A renewable heating offer for business
 - (d) Energy efficiency financing for business
- 1.1.5 A separate report will also be prepared setting out how the householder and business energy efficiency component of the Community Energy Plan has been delivered.
- 1.1.6 The Working Party discussed the content of the report and recommended that it be approved.

1.2 Western Way Masterplan (Revised) (Report No SDW/SE/16/003)

1.2.1 In December 2006, the Council adopted a Masterplan for phased development of land at Western Way as a Public Service Village. The first phase of that development has been completed with the construction of West Suffolk House

- and the car park at Olding Road. The Masterplan excluded the NHS Logistics site in Olding Road as it was in separate ownership and not available for redevelopment at that time.
- 1.2.2 Recently, new owners of the NHS site expressed an interest in working with the Council and bringing forward their site for inclusion in the Masterplan. This opens up a new set of opportunities for the development of the area and has prompted a review of the adopted masterplan.
- 1.2.3 A revised Masterplan has now been prepared taking full account of the opportunities offered by the inclusion of the NHS site. The opportunities now available exceed what was originally required for the creation of a Public Service Village (PSV), so although the concept of a PSV remains, the Masterplan has been retitled the Western Way Masterplan (Appendix A Appendices to the draft Western Way Masterplan document are available via the following link: http://www.westsuffolk.gov.uk/Council/Consultations/western.way.cfm).
- 1.2.4 The formal consultation process commenced on 25 January 2016 and ran until 29 February 2016 and included a drop-in event for neighbours and interested parties held at West Suffolk House on 4 February 2016. The drop-in event had been well attended and a total of eight responses had been received during the consultation period. Despite this low number of responses, the comments received had been particularly informative and constructive. Details of all the replies, together with Officer comments and consequential changes to the Masterplan document were included in the Consultation Report attached as Appendix B.
- 1.2.5 Those responding to the Masterplan had been generally supportive of the document and its key aims. However, some important issues were raised, some of which had resulted in changes or clarification within the document. These key issues were:
 - Residents of Newmarket Road were concerned about the scale and impact of any multi-decked car park, particularly during the winter months when the deciduous tree belt is least effective.
 - Concerns about traffic impact on the surrounding road network.
 - A desire to see a common architectural design theme.
- 1.2.6 The Sustainable Development Working Party was also shown a 'fly-through' which provided the indicative layout of the site.
- 1.2.7 Officers are satisfied that the Masterplan has been prepared in accordance with the Bury St Edmunds Vision 2031 Development Plan document and the Council's Protocol for preparing Masterplans.
- 1.2.8 The Working Party supported the content of the revised Masterplan, but drew particular attention to the following issues, in which Officers responded as follows:
 - (a) **Sustainable Transport Initiatives** Members wished to ensure that sufficient consideration had been given to the use of sustainable transport initiatives within the development (eg 'park and bike'; charging points for electric vehicles). Officers confirmed that they would be

seeking to achieve sustainable transport initiatives, which would also include the other town centre car parks, bus, cycle and pedestrian routes and the railway station.

(b) Increased traffic generation and transport infrastructure – Members considered that the current transport infrastructure would require upgrading to be able to cope with the increased traffic generation, particularly in Newmarket Road and the other surrounding road systems and that this should be undertaken prior to the commencement of this development. Officers acknowledged these concerns and explained that the Highway Authority had also made this a priority and had appointed dedicated Officers to the process. As a result of other proposed developments, changes to the road systems would have to be implemented, prior to the commencement of this particular development on Western Way. Officers also explained that the improvements to the Tollgate junction were part of an existing S106 agreement, within which, were trigger points for improvement works to be undertaken.

Members also referred to the new proposed retail development on the current HALDO site and the impact that the increase of traffic in relation to this development, could also have on the surrounding road systems, particularly to Olding Road.

Members also wished to ensure that there were plans for the provision of safe pedestrian crossing points and safe cycling provision, particularly within Beetons Way and Western Way.

- (c) **Site Contamination** Members wished to ensure that sufficient safeguarding measures had been undertaken with regard to any contaminants in this site, to ensure the safe construction and the subsequent future use of the site. Officers explained that the Council's Environmental Heath department had a responsibility for this safeguarding and were being consulted as part of the process.
- (d) **Skatepark** Members raised concerns regarding the proposals for the layout of the skatepark (with the proposed removal of the fencing) and, particularly, as the Masterplan was indicating that this could be relocated within a more appropriate open space adjacent to the east boundary close to the College and Leisure Centre. Officers confirmed that the skatepark would require adequate fencing and also that there was no requirement for the stakepark to be moved and that the proposals within the Masterplan retained the stakepark in its current position.
- (e) **Multi-decked car park** Members acknowledged the comments which had been made from local residents during the consultation regarding the scale and impact of the multi-decked car park. Therefore, Members were keen to ensure that the development of this car park was made as aspirational as possible, to ensure that the impact on the surrounding area was minimal. Officers referred to page 27 of the Masterplan (paragraph 5.3.1 Building Blocks, Scale and Visual Appearance) and explained that following the comments made by local residents, the Masterplan had now been amended to ensure that as part of any

planning application, the visual impact was to be minimised.

1.2.9 Subject to the approval of this revised Masterplan by both Cabinet and full Council, the Chairman also requested for the Sustainable Development Working Party be provided with regular updates on the Delivery Plan for this project.



Cabinet



Title of Report:	Western Way, Bury St Edmunds Development Site, Phase II (PSV II)		
Report No:	CAB/SE/16/017		
Report to and dates:	Cabinet 29 March 2016		
	Extraordinary Council	19 April 2016	
Portfolio holder:	Alaric Pugh Portfolio Holder for Planning and Growth Tel: 07930 460899 Email: alaric.pugh@stedsbc.gov.uk		
Lead officer:	Steven Wood Head of Planning and Growth Tel: 01284 757306 Email: steven.wood @westsuffolk.gov.uk		
Purpose of report:	The original Public Service Village concept (now to be known as Western Way Development site) was approved and adopted by the Council in 2006. West Suffolk House was built as part of Phase 1.		
	At its meeting on 16 December 2014 the Council agreed to undertake initial work to formulate Phase II of the Public Service Village project. Funding was approved for the appointment of consultants to: - assist with the review of the adopted Masterplan; - provide project management support; - provide legal and property advice.		
	As part of this initial stage, the commercial considerations have been examined to establish whether the proposals contained in the revised Masterplan for this project are financially feasible.		
	The redevelopment appraisal was completed in December 2015 and demonstrated that the project was financially sustainable over a 30-year period providing the Council with a positive and increasing income profile from the fourth year of the development phase.		

	This report asks for consent and funding to enable progress of the project through the deliverability and design stage following the adoption of the Masterplan by Cabinet and Council (see link contained within the report).		
Recommendations:	Subject to the approval of full Council, it is RECOMMENDED that Cabinet agrees:		
	(1) the proposals the Council should pursue are the options that deliver a comprehensive development of the site identified by the adopted revised Masterplan which includes the DHL/NHS distribution centre and the Council-owned land; and		
	(2) a budget of up to £100,000, to be funded from the Council's strategic priorities and medium term financial strategy reserve, is allocated to progress the proposal that best achieves the Council's objectives for the site to deliverability and design stage to enable a preferred option to be formulated and presented to Cabinet, as set out in Section 4 of Report No: CAB/SE/16/017; and		
	(3) following the Cabinet consideration of the preferred proposal a report be prepared outlining Cabinet's recommended development scheme for Council to give final approval for the delivery of phase II of		
Key Decision:	Is this a Key Decision and, if so, under which		
_	definitio		
(Check the appropriate box and delete all those	Yes, it is	s a Key	Decision - □
that do not apply.)	No, it is	not a K	ey Decision - ⊠
	As they are full Council decisions		
Consultation:	Pigeon Developments, West Suffolk College, NHS, Leisure Centre Manager, One Public Estate, DHL NHS, West Suffolk Head of Operations, Suffolk County Council, Ward Members, neighbouring businesses and other public sector and commercial organisations.		
Alternative option(s): 1.		1.	Do nothing.
	~ -		Sell site for residential development.
	3. Develop site with partner land.		
Implications		4.	Develop site without partner land.
Implications:	implica	tions?	Yes ⊠ No □
Are there any financial implications?		10115!	The budget of up to £100,000 is
If yes, please give details			r the budger of Hb to £ 100.000 IS

		proposed to be fur	nded from the	
		Council's strategic priorities and		
		medium term finar		
			in the main body of	
	<i>c.</i>	the report.		
Are there any staf		Yes ⊠ No □		
If yes, please give	aetaiis	Internal resour		
		involved in pro		
Are there any ICT	implications? If	deliverability and design stage. Yes □ No ☒		
yes, please give de	•	TES LINU A		
Are there any lega		Yes ⊠ No □		
implications? If yes			ld result in legal	
details	, picase give		being progressed	
		with potential p		
Are there any equa	ality implications?	Yes □ No ⊠		
If yes, please give		•		
Risk/opportunity	assessment:	(potential hazards or o		
Risk area	Inherent level of risk (before controls)	corporate, service or p	Residual risk (after controls)	
Not appointing	High	Continue with the	Medium	
appropriate expertise or dedicated build manager		appropriate professional		
inhibits progress and		appointments to		
loss of existing advisors.		protect the council's		
		interests.		
Achieving best consideration	High	Make appropriate professional	Low	
Consideration		appointments to		
		protect the council's interests. Adopt project		
		management principles		
		to manage the project.		
Achieving build start on	High	Gateway project	Medium	
site date beginning of 2018		management,		
2010		appropriate level of resources at each stage		
		of the project. Good		
		project management and corporate		
		commitment.		
Ward(s) affected:		All		
Background papers:		Public Service Vi	_	
(all background papers are to be		Phase II, Olding	koaa, Bury St	
published on the website and a link		Edmunds 16 December 2014		
included)		CAB/SE/15/023 - 24 March 2015		
		Western Way, M		
		consultation documents		
		http://www.westsuffolk.gov.uk/Counci		
		I/Consultations/we		
		West Suffolk Investment Framework		
Documents attached:		EXEMPT Appendix 1: Commercially		
		sensitive informati	on	

1. Key issues and reasons for recommendations

1. **Background**

- 1.1.1 At its meeting on 16 December 2014, the Council was reminded of the concept of a public service village (PSV) on the Olding Road Bury St Edmunds Site and how that was contained in a Masterplan approved in June 2006. West Suffolk House (WSH), being the first phase, had successfully achieved its objectives in accommodating staff from St Edmundsbury Borough Council (and now, as part of the joint service initiative, staff from Forest Heath District Council) and Suffolk County Council together with other public sector organisations. It has been estimated that at least £4m has been saved by St Edmundsbury Borough Council by relocating its office staff in West Suffolk House.
- 1.1.2 The improving economic environment and changes in ownership of the DHL (NHS Logistics) building has provided an opportunity for the Council to resurrect its 2006 plans to complete the second phase of a Public Service Village project on land located adjacent to West Suffolk House. The delivery of a comprehensive development of the site as envisaged by the revised and now adopted Masterplan will be influenced by the timing of the relocation of the Council's depot services, the status of the NHS logistics contract together with whether the Council has control of all the land needed for the development.

The Western Way Development site project, formerly known as PSV II, has two key components:

- (a) The review of the Western Way Masterplan to include the DHL (NHS Logistics) building and any changes in the economic environment since its adoption as planning guidance in 2006; and
- (b) The development of a phased approach to deliver the Council's aspirations for the site by entering into partnerships with key public and private sector stakeholders and an agreement with the new landowners of the DHL (NHS Logistics) building.

2. **Masterplan**

2.1.1 The consultation process of the Western Way Masterplan review has now been completed and following examination of the plan, together with the consultation responses, the Sustainable Development Working Party has recommended to Cabinet that the Council formally adopts the Western Way Masterplan (see Report No: CAB/SE/16/016 contained elsewhere on this Cabinet agenda). The consultation period began on 25 January 2016 and was completed on 29 February 2016. The link given overleaf provides the details of the Masterplan and an indicative plan showing how the site could be developed. Importantly, the indicative plan shows how it relates to the West Suffolk College Masterplan as well as Bury St Edmunds Leisure Centre and residential and commercial interests on the other boundaries of the site. The visuals used for the consultation process bring to life the Council's

aspiration for the site and present a very exciting prospect.

http://www.westsuffolk.gov.uk/Council/Consultations/westernway.cfm

The new Masterplan builds upon the assumptions in the 2006 Masterplan. In particular, the 2006 document reflected St Edmundsbury Borough Council's then decision to relocate the Depot Services to another site on the basis that the existing site would not be fit for purpose for the delivery of, and the future demands on, the waste and street scene services. The proposal in the revised Masterplan still assumes the relocation of the Council's depot services. Alternative sites are being considered but a final decision on relocation will be made later in 2016. The project programme and phasing of the development of the Western Way site provides adequate time for the decision around the Depot relocation to a new site to be agreed. The return on investment and the objectives outlined in this report (see 3.1.3 below) adds further justification to the case for relocation plans.

2.1.3 Most of the expenditure so far on this project has been spent on the delivery of the Masterplan (£70,000). This has included indicative designs, project management, project assessments, traffic surveys and formal and informal consultations.

3. **Development**

2.1.2

- 3.1.1 At its meeting on the 28 March 2015 the Cabinet was keen to see the project progress and gave the Head of Planning and Growth, in consultation with the Leader of the Council, delegated authority to:
 - negotiate heads of terms for a joint venture with the owners of the DHL, NHS distribution unit;
 - develop partnership agreements with potential occupiers of the Western Way Development site, as detailed in Section 1.1.7 of Report No: CAB/SE/15/023; and
 - report the result of these discussions to a future meeting of the Council.
- 3.1.2 Discussions with the different parties have continued and progress has been made. However during the commercial modelling of the project, it became clear that following an assessment of the feasibility of a number of different development models, together with a commercial appraisal of the options available to the Council, a different approach could be more appropriate than suggested at 3.1.1 above.
- 3.1.3 The commercial appraisal was commissioned to address the following objectives:
 - 1. unlock the value of Council-held assets;
 - 2. support the Council's public sector village aspiration;
 - 3. strengthen relationships with other public sector organisations;
 - 4. drive efficiency, improve customer experience and public service provision; and
 - 5. maximise capital and revenue return to support future investment in

public sector transformation.

- 3.1.4 The initial appraisal concluded that the most financially prudent option, if the project was progressed, was for the Council to effectively become the developer of the site. This then presents a number of development options taking account of the interests being expressed and land ownership requirements.
- 3.1.5 The Development Options for the Council were analysed over a 30-year period, giving a net present value of net levels of deficit (D) and surplus (S) (owing to commercial sensitivities, the actual amounts for each option, the methodology and assumptions are detailed in the confidential part of this report at Exempt Appendix 1). Three of the options outlined below give the Council a surplus:
 - 1. Do nothing cost of maintaining the site (D)
 - 2. Simply sell the land for private development (S)
 - 3a. Develop and include DHL land (S)
 - 3b.Develop and exclude DHL land (S)
- 3.1.6 The Borough Council has been clear from the outset, and particularly when agreeing the 2006 Masterplan, that the preferred option and ultimate aim for the site would be for a comprehensive development of the whole site including the DHL/NHS logistical building. The revised Masterplan addresses this aim. See revised Masterplan using the following link

http://www.westsuffolk.gov.uk/Council/Consultations/westernway.cfm

- 3.1.7 A table showing a summary of the financial assessment of each option is set out in the Exempt Appendix 1. In broad terms, what this shows is that Options 3a (with DHL building) and 3b (without DHL building) offer a similar net financial benefit (in financial and risk terms only Option 3b is marginally better than 3a). When adding additional criteria, for example economies of scale, aesthetics of the finished development, Option 3a better achieves the Council's objectives for the scheme.
- 3.1.8 In addition, Option 3a assumes the Council is in control of all the land around WSH. This would reduce the risks inherent to partnership working and allow the Council to maintain the level/density of development, standards and quality of design and important stakeholder objectives which a solely commercially-driven development would not.
- 3.1.9 In the light of the above, Cabinet is recommended to agree that officers continue to progress the option that best achieves the Council's objectives for the site to "delivery and design stage" to enable a preferred option to be formulated and presented to a future meeting of Cabinet.

4. **Programme**

- 4.1.1 The initial target for a start on site can only, at this stage, be estimated as being the beginning of 2018 but parts of the development that are not dependant on partnership arrangements, like the car park could be brought forward sooner. To help achieve this target, and subject to Cabinet approval, negotiations with the land owners of the DHL land will continue with a view to discussing alternative locations for the retention of the DHL (NHS) operation in Bury St Edmunds and possible acquisition of their interests. Other stakeholders will be asked to make formal commitments at the appropriate time in the formulation of the "delivery design stage" of the project.
- 4.1.2 To assist with those negotiations the Council will need to continue to work up the plan's designs and development programme together with the capital and revenue budgets for the scheme.
- 4.1.3 The ongoing financing of the scheme will be the subject of further analysis and will, if approved, start to appear in the relevant budget papers and profiled accordingly. Members are therefore invited to approve an additional budget of up to £100,000, funded from the delivery of the Council's strategic priorities and medium term financial strategy reserve, to take this project through to the deliverability and design stage. These monies will be used for design, legal, property and planning work. Undertaking this work will enable the Council to provide sufficient detail for parties/stakeholders who have shown an interest in being part of this exciting project and to make a formal commitment.
- 4.1.4 A comprehensive and fully costed scheme will then be brought forward for consideration by full Council February/April 2017.

High level illustrative project time line:

Action	Date
Masterplan adoption	April 2016
Procurement of consultants	June 2016
Design and delivery timeline	November 2016
Parties/stakeholder commitments	December 2016
Council approval	April 2017
First phase start on site	April 2018



Agenda Item 12

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

