

Chichester District Council

THE CABINET

4 September 2018

Tangmere Strategic Development Location - Selection of a Development Partner

1. Contacts

Report Author

Tracey Flitcroft – Principal Planning Officer (Local Planning)
Telephone: 01243 534683 E-mail: tflitcroft@chichester.gov.uk

Cabinet Member

Susan Taylor - Cabinet Member for Planning Services
Telephone: 01243 514034 E-mail: sttaylor@chichester.gov.uk

2. Executive Summary

This report seeks the Cabinet's approval of a development partner to deliver the Tangmere Strategic Development Location (SDL) as identified in the adopted Local Plan and seeks delegated authority to enable completion of the associated Development Agreement with the selected development partner that will enable delivery of the SDL through recourse to a Compulsory Purchase Order (CPO) if required.

The report also proposes revisions to the timetable for a potential CPO.

3. Recommendation

3.1 That the Cabinet resolves to:

- (1) Appoint Countryside Properties (UK) Limited as the Council's development partner to take forward the development of the Tangmere SDL.**
- (2) Delegate authority to the Director of Planning and the Environment following consultation with the Cabinet Member for Planning Services to agree and sign the finalised Development Agreement.**
- (3) Instruct officers and the development partner to continue dialogue with the landowners/site promoters to facilitate development of the site without the need for a compulsory purchase order if possible.**
- (4) Agree the revised timetable for making the compulsory purchase order, if required, set out at paragraph 6.5 of the agenda report.**

4. Background

- 4.1 The process to begin the selection of a development partner was agreed at Cabinet (11 July 2017) as an appropriate route to enable the delivery of the Tangmere SDL. The Cabinet decision supported work on the Compulsory Purchase Order (CPO), a budget was allocated and CPO advisors were retained to help facilitate this process. Further background to the CPO process is set out in a previous report to Cabinet (7 June 2016). These reports explain the background to the issues relating to development of the Tangmere SDL and the CPO process. It should be noted that the existing landowners have still made no progress to bring the site forward for development.
- 4.2 An update report was considered by Council (6 March 2018) when it was resolved to allocate additional funding to enable a CPO (if required) and commence a process to select a development partner for the whole of the Tangmere SDL. It is intended that the development partner be appointed before the Council makes a CPO, in order for the Council to minimise its exposure to the financial risks. The Council is anticipating that the development partner will prepare a development masterplan and make a planning application for the whole site, but also underwrite the costs of the CPO, on the basis that the developer should then make profit on the eventual sale and disposal of the site.
- 4.3 **Selection of a development partner:** Officers in conjunction with the Council's advisors, Knight Frank and Citicentric, have been undertaking the selection of the development partner. This has involved the assessment of initial expressions of interest and inviting the best potential development partners to make a full submission. The selection process for the development partner is set out at appendix 1 and appendix 2 includes the initial marketing information.
- 4.4 Initially 13 companies expressed an interest in becoming the Council's development partner for the Tangmere SDL, the initial scoring is included in appendix 4. Three of the submissions met the criteria and scored much higher than the others and so were taken forward to detailed assessments and interviews. Appendix 3 of this report contains the questions which the selected bidders were expected to answer as part of the detailed submissions.
- 4.5 The assessment of the detailed submission was conducted in two work streams: Legal and Commercial. The Legal work stream focused on the Heads of Terms document issued with the Invitation to Submit. This is a document that provides the basis for the detail in the Development Agreement. The draft Heads of Terms document is included in Appendix 6. The Commercial work stream considered the bidders' proposals for the development opportunities, specifically looking at the delivery strategy.
- 4.6 The selection process for the development partner was therefore on the basis of the understanding of the Council's requirements, ability to work in partnership, strength of their delivery team and their financial offer. The selection of a development partner is not based on a scheme, but a partner who the Council believes can best deliver the comprehensive development of the Tangmere SDL, in accordance with the Local Plan and Neighbourhood Plan policies.
- 4.7 Countryside Properties scored the highest in the selection process and accordingly, is, in the opinion of officers and those external professionals who assisted in the

selection process, the preferred development partner for the Council to progress the development of the Tangmere SDL. The final scores are detailed in appendix 5.

- 4.8 The process of selecting a development partner is, subject to approval by Cabinet, complete. Following the Cabinet decision the selected development partner will be notified and work commenced to complete a Development Agreement.
- 4.9 The appendices to this report contain financial information which impact on commercial confidentiality about the Development Partner bidders. They also contain the scoring of the proposed bidders and the draft Heads of Terms and are therefore in Part II and not for publication.

5. Outcomes to be Achieved

- 5.1 Development of the Tangmere SDL, in accordance with the policies and concept design guidance set out in the Chichester Local Plan and Tangmere Neighbourhood Plan which will enable delivery of a significant number of new homes, community facilities, open space and a new school.

6. Proposal

- 6.1 This report proposes that Cabinet appoints Countryside Properties as the Council's development partner and that delegated authority is granted to enable the negotiation and completion of the associated Development Agreement.
- 6.2 Work on a masterplan by the selected developer partner will begin following the Cabinet's decision. This will include consultation with and input from Tangmere Parish Council and the local community. Detailed designs and a planning application for the whole site will be made following the masterplan work. Public consultation will be undertaken on planning applications as they come forward.
- 6.3 Although there are willing landowners who wish to develop the site at Tangmere SDL, the development partner will need to assess how the land required to progress the Tangmere SDL can be assembled by a process of negotiated acquisition. As advised in previous reports, if this cannot be achieved in an affordable and timely manner, the Council is prepared to use its Compulsory Purchase Powers to facilitate the land assembly process. In order to deliver the Tangmere SDL in accordance with Government guidance¹ on the use of CPO powers, work on the CPO will continue in tandem, while negotiations take place.
- 6.4 **Timetable:** It is proposed to amend the timetable as shown below. Changes have occurred due to the selection process for a development partner commencing in June 2018. This was due to the need for the advisors to be under contract to continue work and to ensure the process was carried out in a transparent way in order to avoid any grounds for a legal challenge.
- 6.5 The timetable if extended as proposed, provides the selected development partner with sufficient opportunity to attempt to negotiate delivery of the SDL with existing landowners without recourse to a CPO. For a CPO to be successful it has to be demonstrated (along with a number of other factors) that all reasonable efforts to progress the chosen scheme without recourse to CPO powers have been made. It is considered that the extra time afforded to the development partner to seek to bring

¹ Guidance on Compulsory Purchase Process and The Criche Down Rules for the disposal of surplus land acquired by, or under the threat of, compulsion", published by Department for Communities and Local Government and any further relevant advice issued by the Government during the period of the project.

the land forward through negotiation will assist with demonstrating this, should CPO powers be required. It should also be noted that based on experience, it is considered likely that the CPO Inspector's decision will be 12 months from the start of the Inquiry, rather than 4 months.

Revised timetable:

Project	Previous completion date (end of)	Proposed completion date (end of)
Signing of development agreement	July 2018	October 2018
Masterplan completed	August 2018	April 2019
Statement of reasons (necessary for CPO – Davitt Boulton leading)	Statement of Reason (necessary for CPO – Davitt Jones Bould leading) – August 2018	April 2019
Council resolution to make CPO	September 2018	May 2019 (Council 23 May)
Planning application submitted	January 2019	October 2019
CPO inquiry to start	March 2019	December 2019
Resolution to grant planning permission	April 2019	March 2020
CPO Inspector decision	July 2019	December 2020
Vacant possession secured	November 2019	December 2020
Start on site	January 2020	December 2021

6.6 As part of the bidding process the development partner was required to comment on the timetable outlined by the Council. Countryside Properties has agreed in principle that the timetable as revised can be met. The project will be managed at Countryside Properties by a Project Manager with oversight by a Principal Planning Officer within the Planning Policy Team of the Council, with assistance from Knight Frank, Citicentric and Davitt Jones Bould.

6.7 **Project Management:** In order to progress the partnership effectively, a Project Team will be formed to ensure that the project is meeting its objectives. A monthly update will be provided by the Project Manager. It is proposed that delegated authority is given as outlined in the recommendations to enable the completion of the Development Agreement.

7. Alternatives Considered

7.1 The alternative to use of CPO powers is that development of the site by the consortium of landowners and developers takes place voluntarily. However, the Council has been working with the consortium for several years to facilitate a comprehensive development but without meaningful progress being made, including any evidence of effective collaborative working to deliver the scheme.

8. Resource and Legal Implications

8.1 **Finance Implications:** There are significant financial and resourcing implications arising from a potential CPO. However the preferred development partner has indicated they will reimburse the Council's costs, although these will be capped at a figure to be agreed, as part of the Development Agreement. The CPO process, if required, will be managed internally and will require use of the existing staff resources within the Planning Policy and Legal Teams.

8.2 Legal Implications:

- a) Tangmere SDL is an important element of the Council's Local Plan and previous reports have dealt with the risk of this site not proceeding and the impact that would have on the Council. The recommendations proposed are considered appropriate to progress the delivery of the Tangmere SDL and ensure the best chance of success for its delivery.
- b) There is a risk that the unsuccessful bidders will challenge the decision to appoint Countryside Properties. However, to mitigate the prospects of such challenge and provide the Council with a robust position to defend any such challenge, the Council has engaged external advisers to advise on any issues likely to arise and, following that advice, Knight Frank has designed and managed a robust selection exercise.
- c) The intention is to enter into a Development Agreement with Countryside Properties. Until such an agreement is completed, Countryside Properties is not formally committed to its role in delivering the Tangmere SDL. Officers and the Council's external advisers are engaged to progress this workstream, assuming the recommendations in this report are agreed.

9. Consultation

9.1 The Council's Legal Service team and external advisors, including the CPO Solicitor have been consulted extensively about this complex matter.

9.2 The Local Member and Cabinet Member for Planning Services have been made aware of the work being undertaken in relation to the selection of the development partner.

9.3 The owners of the land within the Tangmere SDL boundary have been kept aware of the Council's intentions and given opportunities to make submissions as part of the process. The Council continues to engage with these owners with a view to bringing forward the Tangmere SDL voluntarily and, if appointed, Countryside Properties will continue this work.

9.4 The Development Plan and Infrastructure Panel considered this report at its meeting on 30 August and any comments will be reported to Cabinet.

10. Community Impact and Corporate Risks

10.1 **Community Impact:** The development of the Tangmere SDL has the capacity to create a significant number of new homes of different tenures, as well as sport and leisure opportunities and a new school.

10.2 **Corporate Risks:** Under the proposal the Council will enter into a Development Agreement with Countryside Properties as the development partner. The Development Agreement will be finalised in accordance with the Heads of Terms (set out at Appendix 6), following advice from the Council's solicitor and external advisors.

10.3 **Risk Management:** Risk management has been a key consideration in the selection process for the development partner. Countryside Properties demonstrated their approach to risk management through a robust risk management strategy. Whilst this will be put in place and owned by the development partner, risk management will form a standing item on the Project team meetings and therefore will be fully monitored and managed throughout the delivery of the Tangmere SDL development.

11. Other Implications

Are there any implications for the following?		
	Yes	No
Crime and Disorder: The proposals in the masterplan and planning applications should ensure that at the very least there is no negative impact on the potential for crime and disorder and that there should be a positive impact in reducing the potential for crime and disorder.	x	
Climate Change: Any masterplan or planning application should ensure that at the very least there should be no negative impact for climate change and that there should be a positive impact by including mitigation or adaption measures.	x	
Human Rights and Equality Impact: An equalities impact assessment will need to be undertaken on the proposals in any CPO process and masterplan.	x	
Safeguarding and Early Help		x
General Data Protection Regulations (GDPR)		x
Health and Wellbeing		x
Other (please specify)		x

12. Appendices – Confidential Part II Exempt Material Not for Publication

12.1 Appendix 1: Summary of Development Partner Selection Process

12.2 Appendix 2: Initial marketing information

12.3 Appendix 3: Questions and confidence scoring (blank)

12.4 Appendix 4: Letter (28 June 2018) from Knight Frank to Mike Allgrove containing the initial scoring assessment

12.5 Appendix 5: Tangmere SDL Stage 2 Score Sheets (summary)

12.6 Appendix 6: Draft Heads of Terms which are subject to further amendment in conjunction with the selected development partner

13. Background Papers

13.1 None