

Project Documentation

PROJECT INITIATION DOCUMENT (PID)

Southern Gateway Masterplan Implementation

Release:	9th Draft
Date:	September 2018
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Approved by:	Cabinet

Note: the completion of this document is required for medium and large projects as defined by the Project Type Matrix. The final version should be saved in a sub folder on the x drive under project management / project documentation.

Document History

Revision Date	Version	Summary of Changes	Reviewer(s)
30/11/2016	1	First draft	AL/PO
16/02/2017	2	Second draft	Implementation Sub-Group and strategic land owners
06/03/2017	3	Third draft	Commercial Programme Board
07/03/2017	4	Fourth draft	CPB; HCA and WSCC
15/03/2017	5	Timescale updated	PO/JH/AL
29/08/2017	6	Timescale and outcomes updated to reflect latest masterplan position for OSC consideration	PO/JH/DS/AF
19/10/2017	7	Additional risk and outcome added & consultants input on timescales and dependencies	OSC & Jones Lang LeSalle (JLL)
29/08/2018	8	Revised timescale and personal	Growth Board
10/9/2018	9	Revised timescale and risks	Cabinet

Consideration by the Corporate Improvement Team

Date	Reviewing Officer	Comments for Consideration
11 th September 2018	Jenny Westbrook	Minor changes suggested in line with the amendments to the Project Plan.

Approvals

This document requires the following approvals:

Name of person, group or committee
SLT
Chichester District Growth Board
Overview and Scrutiny Committee (CDC)
Cabinet (CDC)
Strategic Land Ownership Group
Council – in relation to any consideration of a Compulsory Purchase Order in accordance with Article 4 of the Constitution

Distribution

A final copy of the approved document will be distributed to:

Name	Job Title
Andrew Frost	Head of Planning Services, CDC

Cllr Susan Taylor	Cabinet Member for Planning, CDC
Cllr Jane Kilby	Cabinet Member for Housing, CDC
Cllr Tony Dignum	Leader of the Council, CDC
Cllr Eileen Lintill	Deputy Leader, CDC
Paul Over	Executive Director & Deputy Chief Executive, CDC
Nick Bennett	Legal Services Manager, CDC
Gerard Overton	Homes England (HE)
Jane Hotchkiss	Director of Growth and Place, CDC
Alan Gregory	Project Manager, Estates, CDC
Mark Regan	Senior Estates Surveyor, CDC
Diane Shepherd	Chief Executive, CDC
Cllr L. Goldsmith	Leader, WSCC
Cllr P. Montyn	WSCC
Cllr J. Fitzjohn	WSCC
Lee Harris	Executive Director, WSCC
Melanie Burgoyne	Economic Development Manager, CDC
Amy Loaring	Partnership Officer, CDC
Mark Catlow	Accountancy Services, CDC
John Ward	Director of Finance and Governance, CDC
Phil Pickard	Procurement Manager, CDC
Clare Hawkin	Public Relations Officer, CDC

1. PURPOSE OF DOCUMENT

1.1 This Project Initiation Document builds on the Southern Gateway – Preparation of Masterplan PID approved by Cabinet in June 2016. It sets out why and how the implementation phase should proceed, who is involved and their responsibilities. It will provide the baseline for the projects management and for an assessment of its overall success.

2. PROJECT DESCRIPTION

2.1 The regeneration of an area of circa 12 hectares (30 acres) of predominately brownfield land in a mix of public and private ownership with potential housing, business, leisure and commercial uses. The project will bring significant improvements to the public realm, transport infrastructure, enhancements to the quality of the environment including improved pedestrian linkages to the city centre and the regeneration of the only canal basin in West Sussex. The masterplan map shows the key development sites.

2.2 This regeneration scheme will be operating at scale. The largest regeneration project in Chichester city centre in living memory it will facilitate missing elements of provision for young people (Chichester is the only University city in West Sussex) and tourist facilities (Chichester is the strongest tourism location in West Sussex (Source: Visit England website (www.visitbritain.org)).

3. BACKGROUND

3.1. The Southern Gateway area has long been seen as an opportunity to make better use of the southern approach to Chichester city. In 2001 the Southern Gateway Framework was adopted by the District Council and retains its status

as Supplementary Planning Guidance. Whilst much progress has been made (e.g. with the former Osborne's site, the Girls High School and the Southern Sidings development) significant opportunities remain to regenerate the area. These opportunities have not been realised as a result of the recent economic downturn, the costs of relocating existing users and the extraordinary development costs associated with some of the sites. These barriers are considered to be surmountable with public sector support and investment.

3.2. Recent developments make this an opportune time to resurrect this opportunity. Those developments include:

- I. The announcement that the Law Courts are to be closed;
 - II. The approval of the District Council led Chichester Vision;
 - III. The adoption of a new Masterplan for the area as a Supplementary Planning Document (SPD); and
 - IV. The Government's emphasis on growth and jobs (with new funding streams to assist).
 - V. The closure of the Kingsham First and Middle school
- 3.3. The regeneration area within the Southern Gateway includes the Bus Station and Depot, the Basin Road Car Park, the Courts Buildings, the Police Station, former Kingsham school and the Royal Mail depot

4. PROJECT OBJECTIVES AND SUCCESS CRITERIA

4.1. Outputs

- Successful Local Growth Fund (LGF) and other funding secured which will lever in an estimated £83m of private sector investment (excluding relocation and acquisition costs).
- Purchase of any privately owned property required to deliver the project.
- Successful relocation of existing uses
- Creation of the strategic implementation partnership.
- Approval of a Compulsory Purchase Order (CPO) if required.
- Securing a development partner.

4.2. Outcomes

The project is estimated to deliver:

- New jobs;
- Existing jobs protected(Stagecoach and Royal Mail);
- New homes/student accommodation delivered;
- Business/retail and leisure floorspace created (onsite)
- New community health facility (subject to funding and specification)
- Possible return on investment for any capital funding provided by CDC (subject to separate reports)
- Improvements to the public realm, the transport system and the appearance of the townscape and buildings in the area.

These proposals, once delivered, will make a significant contribution to and directly support the Community Strategy and Corporate Plan especially in relation to

housing, jobs and infrastructure by unlocking predominantly brownfield sites. The redevelopment of much of this area has stalled for decades due to lack of public funding available to unlock the sites. This project will include investment in infrastructure (waste water treatment, bus/rail interchange, improved access for pedestrians and cyclists) together with enhancements to the public realm.

This project will build on current economic success in an area where performance is already good and where the private sector, by their previous involvement in nearby developments, have demonstrated that they are eager to be involved. Public funding will ensure that these final opportunities are realised.

By directly marketing the new employment space to high growth, high value sectors such as high end finance; digital; pharmaceutical and creative industries will ensure that this regeneration contributes to ensuring that the Chichester area performs well above the UK average. (GVA per head across Chichester, Arun, Adur and Worthing was £21,274 - below both the regional (£27,012) and national (£25,367) figures. Source ONS December 2015).

The project outcomes will be regularly reviewed at key milestones.

4.3. Outcome Measures

Based on a viable Masterplan and making reasonable assumptions on the mix of proposals:

- 1434 new jobs;
- protect at least 200 existing jobs (Stagecoach and Royal Mail);
- 365 new homes/student accommodation;
- 90% sold within one year of completion
- 21,600 sqm of business/retail and leisure floorspace (onsite)
- Successful relocation of existing uses comprising of 4,000 sqm of off-site relocation space.
- Return on investment on the basis of CDC “Investment protocol”
- Public satisfaction survey – at least 80% of respondents confirm they are either satisfied or very satisfied with the development
- Improved air quality
- Improved travel times

4.4. Dis-benefits

- Disturbance during construction
- Impact on business viability to existing retail offer
- Behavioural change required if traffic movements are reconfigured
- Potential loss of locally listed/listed buildings
- Potential loss of trees
- Loss of public car park capacity

4.5. Out of Scope

The project will not include:

- Master planning and associated traffic studies – this dependency is already signed off.
- Any regulatory processes (other than those associated with a CPO) or obtaining of necessary permissions and consents. This would be done by developers.
- Relocation of the railway line which dissects the southern gateway area
- Excludes management of the building contract

5. PROJECT CONSTRAINTS

- Adoption of the Masterplan as a SPD - completed
- Approval and timescales of any required CPO
- Strategic Partner Agreements
- Timing and expenditure constraints of certain funding streams
- Planning constraints
- Contaminated land
- Fragmented land ownership
- Government and local planning policy.
- Waste water treatment capacity
- Availability of suitable relocation sites

6. PROJECT ASSUMPTIONS

The delivery of the project assumes:

- A viable Masterplan, including traffic implications, adopted by November 2017 - completed
- Public and Private funding can be raised to fund development costs and funding gaps relating to relocations.
- On-going political and public support for the project
- Willingness of partners to engage in the strategic implementation process
- The Law courts to be closed and handed to the HCA by December 2018
- Waste water capacity for development can be provided.
- Road space reconfiguration is implementable.

7. PROJECT COSTS

7.1. Project Delivery Costs

The cost of the project comprises staff costs of the Project Team which are included within the existing base budget and consultancy/professional services costs which are currently estimated at up to £155,000.

	Description	Cost (£)	Comments
1	Development/marketing surveyor consultant	155,000	This funding is already approved via CDC Cabinet (January 2017) and West Sussex One Public Estate. Some of these costs might be recoverable from the
2	CPO surveyor consultant		
3	Legal CPO consultant		
4	Legal Property Consultant		
5	Waste water treatment/flooding/contamination		

	surveys		developer once selected. Additional strategic partnership funding will be sought. This excludes disposal commission at present.
6	Property relocation and acquisition costs	13,500,000	These costs will be funded from the capital receipt of the site being released plus external/partnership funding yet to be secured to fund abnormal development costs and relocation costs. The costs estimates exclude fees, VAT, contingency and SDLT. This excludes any value attributable to Sussex Police land. They assume a developable site with no abnormal costs.
7	CDC capital investment	TBC and subject to separate report	
	Total	13,655,000	

CDC has allocated Executive Director, estates, legal, finance, PR, procurement and project management support for the project. The development costs, which are not included above, will be borne by the appointed developer.

7.2. On-going Costs Following Project Completion

The only ongoing cost to the council would relate to the management function associated with any development share that the council retained. This would be subsumed into the existing role of the estates service.

It is also assumed that what is built is commercially viable and does not require any further public financial support in terms of ongoing operational revenue.

The Council will be forgoing the income from the bus depot, bus station and Basin Rd car park (circa £75,500 per year), although some of the car park income will deflect to the nearby Council owned Avenue de Chartres car park, where there is currently spare capacity. This lost income could be compensated for by the Council taking a share of the development proceeds (capital and/or revenue).

8. OPTIONS SUMMARY

The Council could allow the future development of the Southern Gateway area to be market-led. This option has been discounted since experience over the past few decades has indicated without public sector support the development opportunities that remain are unlikely to come forward. Whilst some of the sites might be capable of independent development proceeding in such a piecemeal fashion weakens the case for public funding and risks the disjointed funding of infrastructure.

There are several alternative ways in which this project could be implemented including:

- Self-Promote – CDC & partners assemble the land, obtain planning permission and undertake the development themselves
- Grant an Option – this will allow a third party to draw down the land at an agreed price during a fixed period of time
- Conditional Sale – this allows a third party to purchase the site once certain conditions e.g. an acceptable planning permission, has been obtained
- Unconditional Sale – following site assembly the site is sold at an agreed sum with no conditions
- Unconditional Contract with Planning Overage – as unconditional sale but with a clause that allows an additional payment to be made to CDC/partners if a more favourable development is achieved
- Public-Private Partnerships – the formation of a new legal entity to deliver the development. The partnership could include landowners and would define the various contributions to costs and benefit sharing arrangements.

Any of these options could proceed with or without a CPO. The major landowners: Homes England; WSCC and CDC have discussed the matter with external consultancy support and the conditional sale to a developer(s) is the agreed preferred route. This minimises financial exposure/risk to the landowners, retains a degree of control over the content of the eventual development and provides an opportunity to participate in the investment if any of the partners chooses so to do.

9. PROJECT APPROACH

The Southern Gateway implementation will involve a mix of in-house, partnership and external consultancy resources. It will be managed by a Project Team with representation from each of the Strategic Landowning Partners i.e. CDC, WSCC and HE that will drive the disposal programme, timescale and selection of development partner(s). A Partnership Collaboration Agreement will govern the way in which costs and benefits are shared. The project is also a key deliverable within the Growth Deal signed between CDC and WSCC and will be monitored at a strategic level by the Chichester District Growth Board.

10. PROJECT PLAN

Task	Task / milestone	Completion	Responsible	Dependency
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No.		Date	Owner	
Stage 1- Funding Applications/ approvals				
1a	HCA (now Homes England)	November 2017	Steve Carvell	Completed
1b	LEP	November 2017	Paul Over	Completed
1c	WSCC – Growth Deal	October 2018	Jane Hotchkiss	Growth Deal signed – funding decision post procurement
1d	One Public Estate grant	November 2017	Paul Over	Completed
1e	DCLG housing bid	July 2017	Linda Grange	Completed
1f	Housing Infrastructure Fund (HIF)	September 2017	Paul Over	Completed - unsuccessful
1g	Other funding streams	ongoing	Amy Loaring	
Stage 1a – Communications Strategy				
1a.1	Complete Communications Strategy	December 2017	Sarah Parker	Phase 1 Masterplan - completed
Stage 2 – Appointment of Consultants				
2a	Funding For Consultants	February 2017	Paul Over	1d - completed
2b	Procurement process to begin	April 2017	Patrick Harrison/Nick Bennett	2a - completed
2c	Appointment of Property Consultants	August 2017	Paul Over	2b - completed
2c (i)	Appointment of Legal Consultants	June 2018	Nick Bennett	2b - completed
2d	Commission studies: WWT; Contamination and Flooding	November 2017	Paul Over	1d & 2c - completed
Stage 3 – Development of Partnership				
3a	Engagement with Partners	Jan 2017	Paul Over	Completed
3b	Agree development Delivery vehicle	April 2017	Paul Over	Completed
3d	Enter into development partnership/MOU	Sept 2017	Paul Over	Phase 1 Masterplan - completed
3e	Agree strategic approach to CIL	September 2018	JLL ¹	
3c	Agree partner investment approach	September 2018	Paul Over	Phase 1 Masterplan
3c (i)	Complete formal Collaboration Agreement	September 2018	Paul Over/BJ ²	2c(i) and 3d
Stage 4 – Relocation and Acquisition of strategic partner sites³				
4a	Identification and agreement	September	JLL ¹ /Mark	2c

¹ Jones Lang LeSalle – appointed property consultants² Browne Jacobson – appointed legal consultants³ Timeline assumes no CPO is required.

	of relocation sites	2018	Regan	
4b	Completion of acquisition of Law Courts by HCA	December 2018	Gerard Overton (HE)	MoJ decision on release - confirmed
4c	Completion of acquisition of Police station site	September 2018	Gerard Overton (HE)	Phase 1 Masterplan
4c (i)	Completion of acquisition of 45, Basin Rd	September 2018	Mark Regan	Phase 1 Masterplan
4d	Enter into development partnership on High School site Kingsham	October 2018	Paul Jackson-Cole (WSCC)	Phase 1 Masterplan
4d(i)	Agree terms to transfer WSCC land to HE	October 2018	Paul Jackson-Cole (WSCC)	Phase 1 Masterplan
4e	Closure of Basin Road Car Park	Post June 2019	Paul Over	7c
4f	Completion of Royal Mail relocation and acquisition	October 2019	JLL ¹	1b & c
4g	Completion of Bus station/Depot relocation and acquisition	October 2019	JLL ¹	1b, c and 4a
4h	Engage with Network Rail	Sept 2018	Policy Planning	Phase 1 Masterplan
Stage 5 - CPO resolution				
5	Receive strategic CPO advice	August 2018	BJ ²	2c(i) - completed
5a	Council Resolution	Tbc	Nick Bennet	6d
5b	CPO confirmed	Tbc	Nick Bennet	6e
Stage 6 – Selection of Developer				
6a	Conclude development brief	September 2018	Alan Gregory/JLL ¹	Stage 3
6b	Soft market test	June 2018	JLL ¹ /Alan Gregory	Stages 1 & 4 - completed
6c	Invite to tender (OJEU)	October 2018	JLL ¹ /BJ ² /Alan Gregory	Stage 1 & 4
6d	Select developer	May 2019	Project team	6c
6e	Conclude conditional contract to appoint developer	July 2019	BJ ² /Alan Gregory	6c
Stage 7 – Development Delivery				
7c	Deliver development	September 2019 onwards (prov)	Development Partner/Alan Gregory	7b/Stage 4

11. PROJECT TEAM

Name	Role
Paul Over	Project Sponsor
Jane Hotchkiss	Project lead/Shadow Project Sponsor

Alan Gregory	Project manager (Estates)
Amy Loaring	Project Coordinator/Technical Support
Nick Bennett	Legal
Mark Catlow	Finance
Mark Regan	Estates (workstream lead)
John Ward	Governance
Melanie Burgoyne	Economic Development
Mike Allgrove	Policy Planning
Gerard Overton	Strategic Landowner (HE)
Duncan Barratt	Strategic Landowner (WSCC)
Paul Jackson-Cole	Strategic Landowner (WSCC)
Clare Hawkin	Public relations & Communication Strategy (as required)
Phil Pickard	Procurement (as required)

The Project Team will report to the Chichester District Growth Board, whose membership will comprise senior political and officer representation from CDC and WSCC together with the Project Sponsor providing the link between the Project Team and Growth Board. The Growth Board will provide strategic direction to the project and resolve resource issues that cannot be resolved within the resources delegated to the project team. An observer from the CDC Overview and Scrutiny Committee will sit on the Growth Board.

12. COMMUNICATION

Elected CDC members will be kept informed through the monthly Members' Bulletin, bespoke email communication, as necessary, workshops and reports, on an exception basis, to the Commercial Programme Board and Growth Board. CDC officers will be kept informed through reports to the Strategic Leadership Team (SLT).

Key stakeholders who are not strategic partners i.e. not landowners, will be kept closely appraised of progress and be offered the opportunity to feed into the process at key stages. Such groups would include the Chichester BID, City Council, resident groups and Visit Chichester.

Consultation material is available on the website and in hard copy at Council offices and public libraries. All public consultation will be carried out in accordance with the Council's Statement of Community Involvement. A Communication Strategy has been developed.

Strategic Partners will utilise their own communications channels to publicise and inform their stakeholders in accordance with the collectively agreed Communication Strategy.

The normal regulatory communication and consultation process will be followed i.e. Development Plan and Infrastructure Panel and Planning Committee when planning related aspects e.g. pre-application and planning application, require consideration.

13. RISK LOG

The following risks have been identified together with an assessment of their severity and actions that can be taken to mitigate/reduce the risk. Details of all project risks will be recorded as and when they are identified.

Risk No	Risk Description	Likelihood Unlikely Possible Probable Certain	Impact Minor Significant Serious Major	Planned Actions to Reduce Risk	Responsible Officer
1	Masterplan not adopted as a SPD by November 2017	2	4	Member briefing before DPiP/Cabinet	Andrew Frost - completed
2	Law Courts not handed over to HE by December 2018	2	3	Close liaison with HE & contingency built into Masterplan.	Gerard Overton (HE)
3	Disengagement of Strategic Landowner organisations (WSCC/HE)	1	3	Steering group to sign off draft documents and on-going liaison with other partners. Completion of MOU.	Paul Over
4	Consultants don't deliver to deadline	2	2	Contract to ensure delivery	Legal
5	Demand in certain market sectors changes so as to render the Masterplan commercially unviable.	2	3	Constant updating of viability advice as implementation proceeds.	JLL ¹
6	CPO if required, is not approved	2	3	Consultancy support to ensure well founded grounds for CPO	BJ ² /Nick Bennett
7	Lack of funding to cover relocation costs	3	3	Timely reapplication to LEP/HE/WSCC and exploration of alternative funding routes	Paul Over and Amy Loaring
8	LEP terminating the funding agreement during the project	2	4	Close liaison with LEP. Try to agree rephasing.	Paul Over
9	Lack of funding to bank roll the project	2	3	Financial services to closely monitor project timescales via attendance at project team meetings	Mark Catlow
10	Excessive demands for community/public realm type uses make the	2	4	Growth Board input and regular re-appraisal of the	Paul Over/JLL ¹

	scheme overall unviable			scheme as it progresses	
11	Unforeseen abnormal costs	2	2	Key studies undertaken in advance e.g. contamination; flooding and drainage	Alan Gregory
12	Failure to agree terms and complete acquisitions of relocation sites	3	3	CPO and independent valuations	JLL ¹ /Mark Regan
13	Failure to agree terms and complete acquisition of Basin Rd property	3	2	CPO and independent valuations	Mark Regan
14	Failure to agree terms and complete acquisition of Police land	2	2	CPO and independent valuations	Gerard Overton (HE)
15	Failure to agree terms and complete acquisition of All Weather Pitch	2	2	CPO and independent valuations	Paul Jackson-Cole (WSCC)
16	Failure to reprovide All weather pitch within timescales due to s.78 delays	2	2	Effective dialogue and agreement with the Academy and early application for s78 approval	Paul Jackson-Cole (WSCC)
17	Lack of funding to implement Road space reconfiguration	2	3	WSCC Highways input to project team and funding support	Paul Jackson-Cole (WSCC)
18	Availability of consultancy advice	1	2	Use tried and tested framework agreement to source expertise; test knowledge via tendering process	Patrick Harrison & Nick Bennett - completed
19	Planning permission refused	2	3	Careful selection of development partner and adherence to adopted masterplan via development agreement controls	Paul Over
20	All locally listed buildings need to be retained	1	3	Well-argued masterplan – façade of crown court to be retained	Mark Regan
21	A27(T) proposals do not advance	2	2	Development of proposals that	Developer

				reflect the status quo; implementation of local plan proposals for A27(T) as a minimum	
22	Inability to find a development partner	2	4	Pre-marketing advice; soft market test	JLL ¹
23	Growth Deal not signed	2	4	Close liaison with WSCC officers and their members	Lee Harris (WSCC) - completed
24	BREXIT – impact on investment/construction sectors	3	2	To continually review the market and the timings linked to procurement	Paul Over/JLL ¹
25	VAT implications – opt in/opt out	2	3	Consultation with Council's vat officer and advisers	Mark Catlow
26	Loss of key personnel	2	1	Appointment of consultants and shadowing of project sponsor role by Jane Hotchkiss	Paul Over
27	Foul drainage	2	3	Commission a follow on study to supplement the local plan work	Alan Gregory