

Chichester District Council

CABINET

3 May 2016

Southern Gateway, Chichester

1. Contacts

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2. Executive Summary

The Southern Gateway area has long been seen as an opportunity to make better use of the southern approach to Chichester city. Whilst much progress has been made significant opportunities remain to regenerate the area. These opportunities have not been realised as a result of the recent economic downturns, 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.

This report requests that the Cabinet supports the Southern Gateway Project in principle and the funding bids to the Local Enterprise Partnership; Homes and Communities Agency; and West Sussex County Council and other appropriate funding streams which have recently been announced with very short submission deadlines.

A full Project Implementation Document (PID) and the masterplan specification will be prepared for consideration at the June Cabinet meeting.

3. Recommendation

- 3.1. That the Cabinet supports the Southern Gateway Project in principle and the funding bids to the Local Enterprise Partnership; Homes and Communities Agency; and West Sussex County Council and other appropriate funding streams.
- 3.2. That the preliminary governance arrangements set out in paragraph 6.3 be approved including the Council being the “accountable body” for any funding received if required.
- 3.3. That a full Project Implementation Document (PID) and the masterplan specification be prepared for consideration at the June Cabinet meeting.

4. Background

- 4.1. 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 (see para 13.1). 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 downturns, 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.
- 4.2. Recent developments make this an opportune time to realise a major project in the Southern Gateway area. Those developments include: (i) the recent announcement that the Law Courts are to be closed; (ii) the District Council led Chichester Vision initiative; (iii) the WSCC Place Plan; and (iv) the Government's emphasis on growth and jobs (with new funding streams to assist).
- 4.3. The area within the Southern Gateway where there is now an opportunity includes the Bus Station and Garage, the Basin Street Car Park, and the Courts Buildings and the Royal Mail depot (see Appendix 1).

5. Outcomes to be achieved

- 5.1. The outcome of this report is to receive Cabinet endorsement to submit bids and governance. The PID will deal with the other specified outcomes.
- 5.2. The project will have as its overriding objective the delivery of a regenerated Southern Gateway area within Chichester. Whilst at an aesthetic level this will result in an improved public perception of the area, it will also deliver substantial outcomes supporting the national growth and housing strategies. The latter are expressed locally in the Coast to Capital Local Enterprise Partnership (C2C LEP) Strategic Economic Plan; the WSCC's Growth Plan; the County's Place Plan for Chichester; and the District Council's Economic Development and Housing Strategies. The specific outcomes sought are as follows:
 - Increase in house numbers – starter, affordable, rented, general and student
 - Increase in jobs created
 - Increase in Gross Value Added¹ (GVA) and average salary levels
 - Increase in footfall (retail and leisure)
Increase in day and staying visitor numbers (visitor economy, leisure, hotel accommodation)
 - Priority to pedestrians; increase modal shift; decrease in traffic congestion; reduction in CO2 emissions
- 5.3. The delivery of the project, potentially the largest regeneration project in the City for decades, will also support the maintenance of the 5 year housing supply as the Local Plan begins its first review.

¹ Gross Value Added is normally measured per head and takes economic output - including wages, business profits, rental income and taxes on production and divides them by the number of people living in an area

6. Proposal

- 6.1. It is proposed that the District Council takes a lead in initiating this project and will use its own standing orders to progress procurement and other actions required. Whilst this report is intended to provide early notice to members and the community of the project, it should also be noted that the District Council is a major landowner, along with other public sector bodies, in the area. (See Appendix 1 for the indicative masterplan area to be covered and Appendix 2 for the timescale of the early stages of this project).
- 6.2 Three major funding streams (see Paragraph 8 below) have been announced recently and, whilst there is no commitment, officers have been preparing bids for submission within the very tight deadlines given. Cabinet is asked to provide support for the bids, the success of which will be essential if the scale of public sector support required to pump-prime the redevelopment is to be obtained.
- 6.3 In order for a project of this size and complexity to be delivered effectively appropriate governance arrangements between key partners will need to be put in place. It is proposed that the three funding bodies, namely Chichester District Council, the Homes and Communities Agency (HCA) and West Sussex County Council (WSCC) form a steering group supported by an officer project group with appropriate disciplines represented and by external consultants where required. The Steering Group will be chaired by the Leader of the District Council and WSCC will be asked to nominate a Cabinet member representative and substitute. A Communications Strategy will be developed to ensure that stakeholders are properly engaged, e.g. landowners and statutory bodies, and that the public is kept up to date.

7. Alternatives that have been considered

- 7.1. The Council could choose not to take the lead in the initial work proposed herein and leave matters entirely to the private sector. Effectively this is what has happened over the past 20 years. Whilst some progress has been made, tackling the remaining elements will require public sector support in terms of leadership and of resources in the forms of land and finance.
- 7.2. It could also choose to cede leadership to one of the other agencies involved. Both WSCC and the HCA consider that CDC is best placed to take the lead.

8. Resource and legal implications

- 8.1. The Council will/has submitted bids, on a without commitment basis, to:
 - (a) C2C LEP bids for share of £1.8bn of Local Growth Funds (LGF3) – deadline 29 April 2016 (see para 13.2)
 - (b) To the HCA/DCLG as an expression of interest for a share of £1.2bn of new Starter Home Land Fund by Friday 13 May (continues to be open until 31 December 2016)(see para 13.3)
 - (c) WSCC has allocated £30m of WSCC funds in the Capital Programme (2017/18 – 2019/20) to support the leverage of external funding. The

Council might potentially make a bid to this fund once WSCC have clarified the bid requirements and timescales.

- 8.2. At this early stage of the project a wide range of financial scenarios is possible. These range from a funded private sector scheme(s) with public sector funding contribution support to one that envisages local authority investment in the development(s). At present the only funding required is associated with the production of a masterplan. The HCA has indicated that they will contribute to funding this task. Further financial details will be included in the PID.
- 8.3. If the bids are successful there will be significant staffing implications over a number of years and re-prioritisation of workloads will be required once more details are available. This resourcing will also be covered in detail in the PID.

9. Consultation

- 9.1. Due to the need to submit bids to funding bodies in very short timescales the key partners (CDC/WSCC & HCA) have met and agreed the key actions set out in Appendix 2.
- 9.2. An internal officer working group has also met to identify key tasks and resources required.
- 9.3. The Leader has also been briefed prior to drafting this report. A local members (CDC & WSCC) briefing has also been arranged for 21 April.
- 9.4. Key landowners have also been notified of the proposals contained within this report.

10. Community impact and corporate risks

- 10.1. Whilst there are significant opportunities within this project as set out in paragraph 5, a project of this scale will require careful communication and engagement with a wide range of stakeholders, to ensure that all views are considered. A Communication Strategy will ensure this occurs.
- 10.2. At this stage there are limited risks associated with the project. However, as the project is further defined these will become identified and reflected in the PID. These risks will include financial risks e.g. abortive expenditure/staff time, lack of partner support, and reputational risk associated with stakeholder communication and perception of the proposals by the community.

11. Other Implications

Crime & Disorder: Any redevelopment should be secured by design and should improve crime and disorder outcomes	Yes	
Climate Change: Any redevelopment should conform to BREEAM standards of sustainability and will therefore have a positive impact. Opportunities will also be taken to consider the traffic/pedestrian movements to make it safer and more convenient to move around the area and adopt more sustainable modes of transport.	Yes	
Human Rights and Equality Impact: The development will improve	Yes	

facilities for local people and visitors/businesses. A full Equality Impact Assessment will be undertaken should the project progress further.		
Safeguarding and Early Help:		No
Other (Please specify): e.g. Biodiversity		No

12. Appendices

12.1. Draft masterplan study area

12.2. Indicative project timescale to production and approval of masterplan

13. Background Papers

13.1 Southern Gateway Framework (2001)

<http://www.chichester.gov.uk/policyguidance#gateway>

13.2 LEP Guidance <http://www.coast2capital.org.uk/news/press/growth-deal-statement.html>

13.3 HCA Guidance <https://www.gov.uk/government/publications/starter-homes-unlocking-the-land-fund>