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THE BURY ST EDMUNDS CATTLE MARKET REDEVELOPMENT

THE SURVEYORS' STORY

ACES Presidential Conference
Bury St Edmunds, September 2006

ACES Paper No 06.9/4 by

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Paul's particular interest and expertise is in town/city-centre development consultancy work, and large scale regeneration projects and he leads the firm's advice to the public sector in all aspects related to achieving successful implementation of such schemes. He also advises various strategic private sector clients on development.

Paul is currently involved in a variety of projects. These range from large city centre schemes such as Northern Quarter Portsmouth and Northgate Chester; to a range of town centre schemes (including one for St Edmundsbury Borough Council in Bury St Edmunds itself); together with various large residential-based regeneration projects (such as Bath Western Riverside); through to other mixed use projects (such as the recently opened Liberty Stadium at Swansea, with associated enabling development, winner of this year's award for the Best Leisure Regeneration Project).

Paul is also heavily involved in other areas of consultancy work, particularly related to the production of town and city centre studies, strategies and action plans; portfolio analysis for public sector clients on how best to deal with the latest best consideration legislation and realise latent value from their assets; procuring funding for projects and providing expert witness advice at public inquiries on developments.

KATE CHADWICK graduated from Oxford Brookes University in 1994 and joined Donaldsons Consulting in 1999 having previously worked in the public sector consulting team at AtisReal.

Kate is a partner in the London Development Consulting team and provides development and strategic advice on a variety of property issues principally to local authority, and public sector clients. She specialises in advising local authorities on the utilisation of their property assets to deliver development, particularly in city/town centres.

Kate is involved in a range of projects. Examples of current town/city centre retail-led developments include advising St Edmundsbury Borough Council on the Cattle Market development at Bury St Edmunds and Portsmouth City Council on Northern Quarter (the site of the former Tricorn Shopping Centre). Kate is also involved in mixed use projects such as Tottenham Town Hall and environs, advising the London Borough of Haringey.

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Kate is currently leading a joint initiative with PMP, a consultancy specialising in sport, leisure and culture projects, in which Donaldsons have a significant shareholding. Utilising the firms' respective expertise Donaldsons and PMP are working on a number of sport/leisure related projects, including the delivery of a new 50,000 seat stadium for Everton FC cross-funded by a retail-led development anchored by Tesco.

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THE BURY ST EDMUNDS CATTLE MARKET REDEVELOPMENT

THE SURVEYORS' STORY

INTRODUCTION

In this paper we will consider the following:

1. The reasons for entering into a regeneration partnership;
2. The development steps;
3. Selection of a development partner(s);
4. Structuring the partnership;
5. Current/future trends.

REASONS

WHY ENTER INTO A REGENERATION PARTNERSHIP?

The decision to enter into a regeneration partnership is usually made when there is:

- An aspiration to take a town/city forward;
- A need to progress complementary schemes;
- An opportunity recognised from retail capacity study;
- An opportunity recognised from existing land ownerships;
- A desire to retain an element of control of proposed development;
- A need to respond to a perceived threat;
- A chance to grasp a newly presented opportunity;

- Community pressure to do so;

And of course there may be many others.

SOME KEY STEPS TO SUCCESSFUL DELIVERY

There are many factors involved. Donaldsons has been working with local authorities on this for more than fifty years and our experience suggests that the following key building blocks are involved in the successful delivery of a regeneration scheme:

- **Setting the overall strategic context**

Setting the overall strategic context is the first step and it is becoming more and more of an issue. A number of towns and cities are now putting together what amounts to a business plan for taking forward a particular town or city within the authority area or the overall sub-region. The "plan" might include, say, social requirements, educational, employment and "infrastructure". We now find that some authority/clients are considering, in a business plan context, how town centre development will help achieve strategic goals. This trend presents surveyors with an opportunity to get more involved in the overall strategy of an authority client.

- **Master-planning the town or city centre**

Master-planning is also an increasingly important issue. I am contemplating a wider process, not only master-planning, i.e. the Bury St Edmunds Cattle Market site. A more comprehensive study of the wider central area is undertaken to consider where certain types of uses should be located. We see this Master Plan as a fundamental building block which, if not in place, can create difficulties later on.

- **Establishing the overall retail strategy**

An authority must have a clear retail strategy for its town or city. This clarifies how much retail can be accommodated over a defined period of time, and the nature of that retail use. If this is not in place, there can be difficulties if a number of competing retail proposals move forward, or if proposals are made that impact on the authority's own plans. Also it is vital to be able to judge whether proposals are just too big or inappropriate for the location.

- **Site-specific analysis**

Where should the scheme(s) go? This is needed in order to be able to consider whether a particular scheme is suited to the site. This is a fundamental issue, as we believe a number of schemes will not just go on any one site.

- **Getting the policy basis right**

Some schemes will need to invoke CPO powers. Getting the policy basis right for the subsequent CPO is fundamental to avoid problems later on.

- **Defining the conceptual scheme**

Establish what you want to achieve with the project and exactly what you want to create. A number of aspects can be defined early, but it is important to retain flexibility. Hence, set out key themes but ensure that you maintain enough flexibility for to deal with the inevitable difficulties that changing market conditions cause.

- **Selecting the right development partner(s)**

Not all developers are the same; there are stronger and weaker developers. More importantly, the developer may be good, but the individuals within the company can be mixed. Our experience is that people are as important as the reputation of the company. Bear this in mind before you get locked into your project. In regard to individuals at interviews; what you see is what you get, and make sure that people who have said they are going to deliver a project do just that.

- **Engaging with all key stakeholders**

Defining their identity and when to engage is absolutely fundamental as is the process of public consultation and creating partnerships with stakeholders and others.

- **Communicating with councils and communication generally**

The more developers understand how councils work and operate, the more effective their relationship will be. Similarly, the more authorities understand board structures and the private sector the more effective the relationship.

- **Assessing the scheme's viability**

- **The council's property/financial transaction**

Traditionally, developers have often over-promised. This has often been a product of context in which developers have put forward their proposals in the first place. In Bury St Edmunds this was largely avoided as the developer was selected before the scheme was developed.

- **Negotiating the key principles to the overall transaction**

- **Negotiating the development agreement and associated documentation**

This key document governs the overall relationship between the local authority and its partner(s), and is usually based on the heads of terms previously negotiated and agreed.

- **Securing planning consent**

Whilst the local authority's development partner(s) and their professional team invariably lead on this aspect, the local authority needs to ensure it separates its various roles appropriately to ensure it does not fetter any of its statutory duties.

- **Assembling the land**

Most town and city centre schemes need a Compulsory Purchase Order (CPO) to ensure delivery. The local authority will need to be involved, alongside its development partner(s), in negotiations to acquire all necessary land interests from affected landowners.

This is to ensure the necessary transactions are completed, and to appropriately estimate and then deal with the compensation payable to such parties.

- **Securing the right occupiers**

Whilst development partners take the lead, local authorities are increasingly becoming involved in ensuring the scheme secures the right occupiers, which will best match the aspirations for the quality and content of the scheme itself, and how this links into the existing town centre to ensure it is complimentary, rather than competing.

- **Dealing with existing public buildings and/or proposed new public buildings and broader public realm**

Authorities need to know what they want to achieve for the town centre. Determining how the public buildings or facilities will be incorporated in the development is a fundamental aspect of the development process.

- **Achieving a viable and deliverable scheme**

Achieving a viable and deliverable scheme is equally important to the developer, the authority and the council members. Communication is important. It is essential that the developer explains the workings of the development process to others involved.

Other key points include:

- **Ensuring an ability to monitor construction and review the completed scheme**

Once the scheme is on site, the local authority will often need to have its own project management service to deal with those aspects of the scheme which it has an obligation to deal with - whilst leaving the developer to lead on the overall construction itself.

- **Ensuring an ongoing asset management structure for the completed scheme is set in place**

Different schemes take varying amounts of time to integrate fully into the existing town centres urban fabric. Ensuring this happens as quickly as possible, and that the ongoing management of the scheme is of an appropriate quality, are vital aspects in delivering true sustainability over the longer term.

CATTLE MARKET REGENERATION, BURY ST EDMUNDS

Key aims and objectives

Even before the development partner was in place, the council had set out a clear set of aims and objectives to be achieved from the Cattle Market site. These aims, as outlined in the initial brief that went out to the development market, were to:

- Assist in reinforcing the long term vitality and viability of the town centre – with scale, form and nature meeting the future needs and contributing to the overall attractiveness;

Paul Ellis and Kate Chadwick at
The Athenaeum, Bury St Edmunds



- Accommodate growth of primary retail floor space but with a mixed use scheme including residential, leisure and cultural uses;
- Provide innovative proposals for enhancing links between the site and core retail locations;
- Provide a scheme of a very high standard of architectural design – enhancing the architectural heritage of the town;
- Integrate the site with its surroundings and town centre through creating an overall master plan for the area;
- Provide public open space;
- Create minimum disruption to the existing fabric and functions of the town centre while the scheme is under construction.

Apart from those key aims and objectives the following brief set out the sort of partner the Council wanted to work with.

“The Council is seeking a partner who can demonstrate an appropriate team approach and philosophy, track record, commitment and ability to deliver in resourcing terms (people and financial).”

SELECTION OF A DEVELOPMENT PARTNER

The tried and tested approach is to seek initial expressions of interest, short-list developers to submit detailed proposals, and selection is then made on the response made to stated criteria. But are there other routes that can be taken? What are the arguments for diverting from the tried and tested approach with the Cattle Market Bury St Edmunds development? Is there a better way to do it?

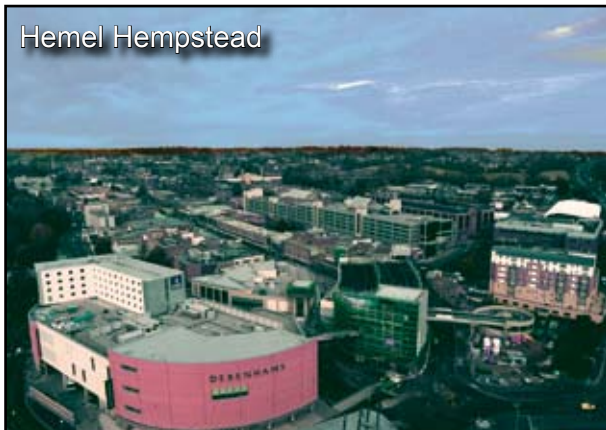
The context here is important.

- The possible regeneration of this site has been mooted for many years. A recent scheme proposal was unsuccessful despite many months of detailed work, not a very promising background to work from.
- Within Bury St Edmunds there is a vocal and interested local population with a strong desire to be involved, and some have indeed been involved since day one. There is a particular group we affectionately call “the gang of 32” who have been there day in and day out monitoring the evolution of the scheme proposal.
- Another aspect is the size of the site. This is a very big scheme considering the size of the council and even a big scheme in anyone’s books. The site is about the same size as the existing retail core which is significant in terms of scale.

This background shows just how important it was to make sure the right approach was adopted to get the right

developer. Consequently the approach adopted at Bury St Edmunds was as follows.

- The site was marketed with a brief that set out the parameters of the team the council wanted to appoint. A standard advertising campaign was used and the tender pack contained planning guidance and some feedback from consultations with the Council.
- Initial expressions of interest were invited from the development community both those who had seen the advert and also some developers we had targeted



directly. Interested developers were asked for information about their proposed team, particularly the design philosophy and the identity of their architect. We also asked for their ideas for the site (but no drawings at this stage) and how they would approach the design and public consultation.

- Initial expressions of interest were evaluated and scored against criteria set at the start of the process.
- A “long” shortlist of parties was invited to interview with officers. From Day 1 this project has been property and planning led through a defined steering group. Officers from this group led the interviews supported by other relevant officers from the council.
- A short-list of developers was then invited to present to members. The presenters were asked to focus on their proposed team approach. Members were asked to consider whether they felt comfortable that each developer was the right party to develop this most important site for the council.

EXPERIENCE ELSEWHERE

RIVERSIDE, HEMEL HEMPSTEAD

Dacorum Borough Council

We would like to review how some councils elsewhere have approached town centre development.



In Hemel Hempstead, Dacorum Borough Council purchased the site to frustrate inappropriate development. The site, almost half the town centre, had been on the market for a number of years as a retail park opportunity. The council sought to persuade the owner to change this strategy but without success and so took the brave step of acquiring the site at retail park value. Jointly with Donaldsons they went to the market with the site as a town centre mixed-use scheme and department store. The Council was successful; the scheme opened Christmas 2005. This approach may not be appropriate for all councils but having faith and a pro-active strategy certainly worked for Dacorum Borough Council.

Northern Quarter, Portsmouth City Council

This is a 1m+ sq ft mixed use redevelopment scheme. The scheme is retail led; still the essence of town and city centre development, but supported here by leisure and residential, with an active involvement from key anchor occupiers including John Lewis.

The involvement of John Lewis gave them a bigger level of influence and involvement than one would have expected in the past. Here, the company wanted to understand how the scheme was going to work and also how the broader city centre would work. They were interested to know about the physical linkages, the investment, and how the council's policies would generate the expected step change in the socio-economic profile of Portsmouth.

BOGNOR REGIS REGENERATION

Arun District Council

In regenerating town and city centres our view is that a trend is for more projects to be multi-sited, as at Bognor Regis. In enabling this type of development, it is common to go through the master plan, strategy and action plan route, but there are issues about capturing value in a multi-sited approach.

BETTER MID SUSSEX

Mid Sussex District Council

This process has enhanced the regeneration process a step further by looking at three town centres; East Grinstead, Haywards Heath and Burgess Hill, at the same time. This is an innovative and cutting edge approach. Mid Sussex District Council, assisted by Donaldsons, went to the market to appoint a developer to move the development of the three town centres in a joined-up way and there is an over-arching approach and a development agreement that do that.

- High level of public consultation;
- Ongoing communication and regular reporting to members;
- Establishment of a working party;
- Ongoing review of key elements as scheme evolves;
- Pragmatic, albeit aspirational approach;
- A viable scheme!
- Sense of humour! We have all managed to retain that throughout the whole process.

STRUCTURING THE PARTNERSHIP

THE CATTLE MARKET AND BEST CONSIDERATION

Income versus capital was an important local issue, and the Council had secured a geared interest in the completed Cattle Market Regeneration scheme and as a result the Council will see its value rise over time. This scheme is an integrated new public building within a large commercial development. There is an overage agreement with the developer and the Council also gets a specified amount of money for public facilities. The former is subject to the OJEU procedure but the latter is not. In practice it was impossible to try to procure two separate building contracts and so the way we dealt with OJEU was through procuring the construction contract for the public building alongside the commercial.

HOW HAS SUCCESS BEEN ACHIEVED IN BURY ST EDMUNDS?

By way of summary the following are the range of factors that led to the success of this scheme. But remember bringing the scheme to this, the start of the construction phase, has taken many years and a lot of commitment.

- Clear stated aspirations from the Council – marketing brief/development brief;
- Guidance – landowner/LPA;
- Selection on clear financial parameters with defined milestones against which progress can be measured;
- Open book approach;
- True “partnership” between the Council and the developer;
- Strong officer team and clear, senior officer led;
- Good team relationship;

CURRENT/FUTURE TRENDS

In brief this is our view on future trends:

- Changing planning policy;
- Evolving retail concepts;
- Increasing tendency towards mixed use schemes (but few committed to date);
- Moving away from covered shopping centres;
- Increasing aspirations for good quality design, public realm, public art etc;
- Sustainability;
- Occupiers;
- Developers in the market;
- Funders' views
- The development cycle

We would like to highlight the most important; sustainability. We have just heard that the chief executive of one of the country's top-flight property companies has decided to take two months off to learn all about sustainability. In all its senses sustainability is going to be the biggest thing to affect town and city centre development in the future.

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