

HIGH PEAK BOROUGH COUNCIL

Report to Corporate Select Committee

19 September 2016

TITLE:	Chapel Employment Sites
EXECUTIVE COUNCILLOR:	Councillor Kemp – Executive Councillor for Regeneration
CONTACT OFFICER:	Pranali Parikh – Regeneration Manager
WARDS INVOLVED:	Chapel East, Chapel West

Appendix A - Masterplan preferred option

1. Reason for the Report

- 1.1 To inform and update the Council on progress with the Chapel-en-le-Frith Masterplan and viability assessment undertaken by BDP.
- 1.2 To inform and update the Council on the next steps to be taken in the delivery of the Masterplan

2. Recommendations

- 2.1 To note the update and summary of project progress to date.
- 2.2 To recommend that the Executive notes the report and approves the next steps as set out in paragraphs 7.9 of this report.

3. Executive Summary

- 3.1 The provision of employment land at Town End, Chapel-en-le-Frith is identified as a key priority in the High Peak Local Plan and Chapel Neighbourhood Plan. In total the land identified as the potential location of a business park is some 6.46 ha in area. The sites were allocated for employment in the 2005 Local Plan but a number of challenges, including a total of seven land owners and an allotment designation, have prevented the private investment and public sector intervention required to unlock the sites for development.

- 3.2 The High Peak Growth Strategy identifies delivery of employment land at Chapel-en-le-Frith as a key project and provides an implementation strategy for delivery. Completion of the Chapel Masterplan is a critical part of this strategy. The Council is working in partnership with Chapel-en-le-Frith Parish Council and East Midlands Chamber to develop the Masterplan, bring forward allocated employment sites and support business growth and investment in line with the Enterprise Growth Programme.
- 3.3 In January, the Council appointed Consultants BDP Ltd to draw up a series of Masterplan options and consider the development a high tech business park at Town End, Chapel-en-le-Frith. The Masterplan seeks to deliver three principal outcomes:
- Deliver flexible and scalable employment space for existing businesses looking to expand within the borough or re-locate from outside;
 - Deliver managed work-spaces to help support small businesses and business start-ups, targeting innovative and knowledge-based start-ups including spin offs from existing local companies such as Astra Zeneca, Retrogenix, Peakdale Molecular and allowing for clustering of micro businesses;
 - Provide suitable accommodation for businesses supporting high employment densities.
- 3.4 The masterplan report details the work undertaken by the consultants and project partners to reach a preferred Masterplan for the proposed business park. This includes:
- Analysis of market demand
 - Masterplan layout
 - Development viability
 - Delivery mechanism
- 3.5 The masterplan commission has come to an end. Through extensive consultative work, the masterplan has demonstrated a clear demand for employment land in the Central Area with a large number of businesses expressing an interest in the development. This information has been used to develop a preferred option plan. A copy of the preferred option is attached as Appendix A.
- 3.6 The Masterplan concludes that:
- The development could support a mix of industrial, office and laboratory properties - although a scheme that reflects market demand should look to maximise laboratory and general high tech/industrial uses.
 - Whilst as a whole the development of a business park is not viable without public sector investment to bridge the funding gap and deliver necessary infrastructure and land assembly, portions of the site could be brought to the market individually to deliver employment in Chapel-en-le-Frith.
- 3.7 Key barriers to delivery of the masterplan are identified as:
- Access to sites and ransom strips
 - Funding gap due to infrastructure costs
 - Land assembly issues

- Individual expectations and a willingness to work in partnership
- A lack of Council control

3.8 Key opportunities identified are:

- Clearly identified market demand
- Interest from most land owners
- Potential to deliver individual land parcel separately
- Chamber of Commerce interest
- Land in ownership of parish council, county council and borough council could be of strategic importance

3.9 Information on the viability of delivering the employment sites may be commercially sensitive and has not been included in the main body of this report.

4. **How this report links to Corporate Priorities**

4.1 The delivery of this project will meet the corporate aims to Support Economic Development & Regeneration, and Protect and Improve the Environment. Specifically, it will meet corporate objectives to encourage business start-ups and enterprises, create flourishing town centres that support the local economy, and promote tourism.

5. **Options and Analysis**

5.1 Options in relation to the report are:

1. Do nothing – not recommended

Work undertaken since January 2016 has allowed positive engagement with landowners and businesses. It has provided clear evidence of business demand and secured support in principle from landowners for the development of the preferred option. However, without continued input and enabling work the Masterplan alone is not likely to attract investment and encourage the development of the business park. Despite being allocated for employment use since 2005, no development has come forward. This clearly demonstrates that a 'do nothing' is unrealistic and without intervention the sites will remain undeveloped. Discussions to date have identified additional land for inclusion in the plan and begun to identify possible delivery mechanisms. Further work is now required to progress this.

2. HPBC assumes the lead role in delivery – not recommended

The Borough Council has no overall control over the land making up the Masterplan area. Through discussion with landowners it is apparent that the separate parcels constituting the Masterplan area are likely to come forward in any event and without direct intervention from the Council. No funding opportunities are currently available to support public sector intervention. The Masterplan report concluded that as a whole the development of the business park may not be viable, but that separate

portions of the site could be brought to the market individually to deliver employment development. On this basis it is considered that there is a lack of justification for HPBC to assume a lead role.

3. Undertake further work to facilitate/enable landowner-led development – recommended

The project has gained momentum since January 2016. Analysis has shown that the four parcels of land can be delivered independently of one another. Landowners have willingly engaged in the process and the preferred option and businesses have expressed interest in the development. It is important to continue this work to ensure delivery and maximise benefits. This approach does reduce Council control however, no significant Council investment will be required other than a commitment of staff time and supporting expertise, thereby reducing risk.

6. Implications

6.1 Community Safety - (Crime and Disorder Act 1998)

No implications.

6.2 Workforce

No implications at this stage.

6.3 Equality and Diversity/Equality Impact Assessment

This report has been prepared in accordance with the Council's Diversity and Equality Policies.

6.4 Financial Considerations

The cost of undertaking independent valuation of Council owned land would be met from approved budgets of Regeneration Services.

6.5 Legal

Legal advice will be sought for the engagement of an independent advisor to negotiate with interested parties using the Council's land interest.

6.6 Sustainability

No implications

6.7 Internal and External Consultation

External consultation is detailed in this report. Internal consultation has been undertaken via regular progress reporting to the Transformation Board and Growth Projects Steering Group.

6.8 Risk Assessment

Risks and mitigation associated with the delivery mechanism for each parcel of land will be considered as part of the next steps.

Dai Larner
Executive Director – (Place)

Web links and Background papers

Background Papers relating to the proposal are held electronically in the Regeneration Service

Contact details

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7. Background and detail

7.1 Development of employment sites will help to provide local employment opportunities and add to the prosperity of Chapel-en-le-Frith. It is proposed that it will host a cluster of small, knowledge based industries and offer an innovative business incubation and development programme designed to nurture skills and support start-up enterprises. The vision of the Parish Council is for the business park to support well paid employment and businesses offering high employment density. The project will see the development of 6.5 ha of land and create in excess of 500 jobs.

7.2 The site has been identified as a key demand destination by local businesses and there is currently high demand for quality employment units and employment land from local expanding businesses and relocation businesses. Failure to develop this allocated employment site will continue to constrain the growth of these companies and possibly see them relocate outside High Peak.

7.3 Development of all sites is expected to deliver:

- Up to 16,206sqm of employment floor space.
- 6.5 ha of land developed for employment use.
- Over 500 jobs
- Additional business rate income per annum
- Reduction in car congestion and travel times.
- Encourage restoration of a historic tramway within a conservation area,

7.4 An outline funding bid for £3.5m was recently submitted to the D2N2 Local Economic Partnership (LEP) to support the development of 1860sqm of low carbon business space, within the business park, for high- growth and higher productivity businesses. Unfortunately the bid was unsuccessful and will not be taken forward by the LEP. Alternative funding is now being sought.

Consultation

7.5 A series of consultation exercises have been carried out to engage with residents, existing neighbouring businesses, land owners, stakeholders and delivery partners. A summary of the consultation is as shown in the table below:

Who	When	How	No of responses	Summary of comments/ next steps
Stakeholders (parish council + chamber of commerce)	Autumn 2015	Stakeholder meeting	n/a	Overview of project Vision, progress steps and barriers / solutions identified.
Land owners or their nominated agents	16 th March 2016	BDP contacted all land owners through email/ letters	Four landowner contacted	Discussion regarding confirmation of ownership, condition of existing buildings and options for working in partnership with other landowners.
Residents	23 rd March 2016	Public consultation event at Town Hall; Event was publicised on HPBC website along with a press release. Buxton Advertiser included an article on it. Parish Council sent the leaflets along with their newsletter to all households	28 people attended and 10 completed the questionnaire. Further comments were received by emails.	Issues of particular importance to the respondents were: The management of traffic on Sheffield Road, The Peak Forest Tramway, the importance of providing jobs in the town; and the current use of the fields and public rights of way for informal recreation.
Businesses	February 2016	BE Group contacted 32 businesses in the area. 11 companies responded	Email/ telephone	Seven strong requirements for land and property. All businesses reported a lack of suitable property and employment land in High Peak
Businesses adjoining to the sites	August 2016	HPBC contacted additional five neighbouring businesses via emails/ letters followed by one to one meetings with HPBC officers	Email/ meetings	11 local businesses in need of employment space to grow and expand their business. Total land required is in the region of 7.19 ha - 7.43ha which exceeds the masterplan area. All businesses indicated a need for reasonable hotel accommodation in

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				the area
Land owners	August 2016	Emails/ letters sent to all land owners, followed by one to one meetings with HPBC officers	7 land owners contacted, 6 responded and were invited to further meetings	All land owners have suggested they would like to work with HPBC in bringing development forward on their land interest and are happy to consider any commercial offer/ joint venture etc.
Other stakeholders - Allotment society - DCC highways + property		Ongoing discussions- led by Parish council	Awaiting response from DCC	Parish council to update

Summary of market demand

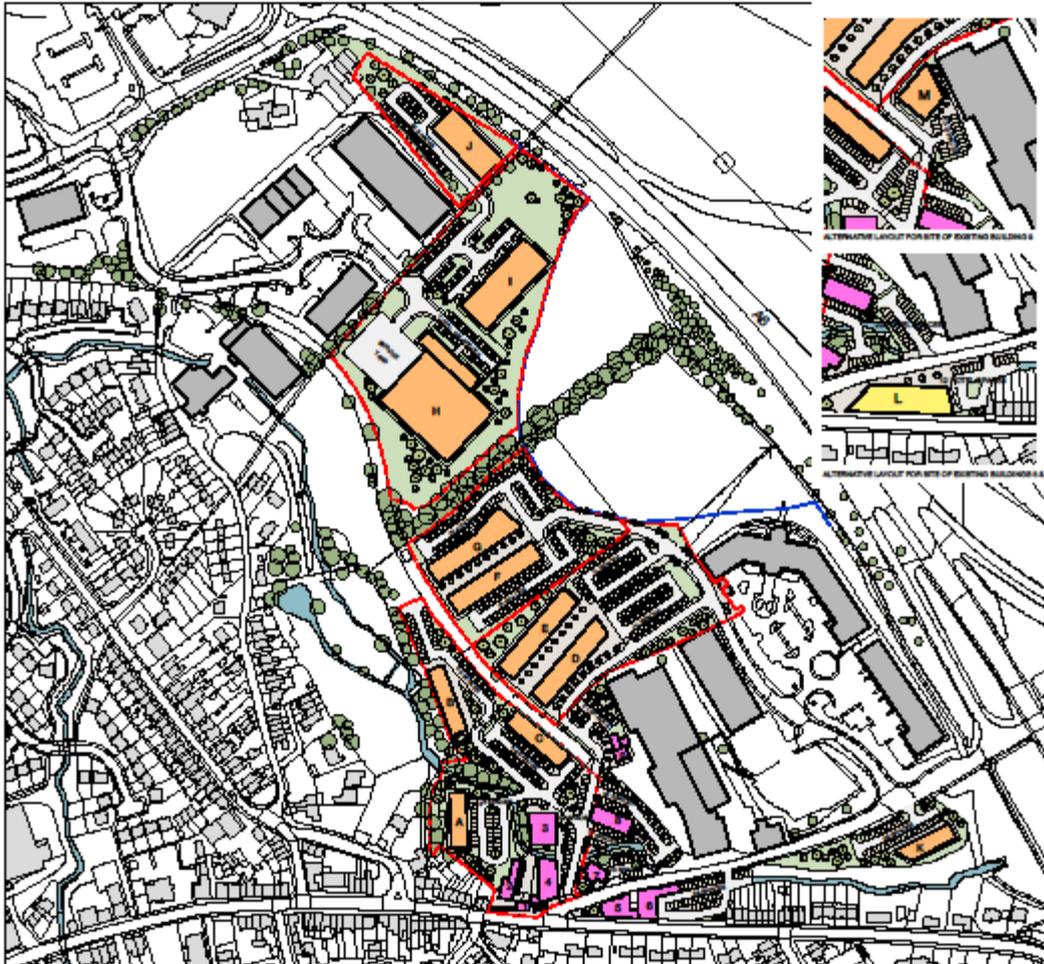
- 7.6 Consultation has identified 11 local businesses in need of employment space . The total land required is in the region of 7.19ha - 7.43ha. floorspace comprising a mix of warehousing, general industrial, office and laboratory options. Most businesses are looking to acquire land on a freehold or long leasehold basis for design and build of bespoke premises, to meet their specific needs. This demand exceeds the area of land available at the 6.46ha Chapel site.
- 7.7 All businesses reported a lack of suitable property and employment land in High Peak. Sites available are not of a size and quality to meet any of the stated requirements, and alternative options for development land are limited. This lack of commercial space means companies have looked at relocation outside of the High Peak with sites at Stockport, Marple and Macclesfield being considered.
- 7.8 Demand research by BE group suggests there are no requirements for a hotel, however discussions with local businesses indicated a need for reasonable hotel accommodation in the area to support their activities and growth.

Next Steps

- 7.9 The next steps considered necessary to further progress the project are set out below.
1. Chapel-en-le-Frith Parish Council to lead on delivery of the land in their ownership from this point onwards with support from HPBC .

2. HPBC to continue an 'open for business' approach for working with all land owners to bring forward stalled sites.
3. HPBC to engage an independent advisor to negotiate with interested parties using the Council's land interest to deliver an outcome which:
 - a. Leads to the early construction of employment space suited to the needs of local businesses or inward investors and broadly in-line with the masterplan;
 - b. Results, if possible, in a clear and comprehensive delivery plan for all the employment land land allocated in the Neighbourhood Plan;
 - c. Results in the optimum financial return for the Council.

APPENDIX A



ACCOMMODATION SCHEDULE

B2 HYBRID

- A:** 40.76 X 11.8m FLOORPLATE
4,327 Sq.ft. NETT (402 sq.m)
38 CAR PARKING SPACES
- B:** 48.52 X 11.8m FLOORPLATE
5,145 Sq.ft. NETT (478 sq.m)
40 CAR PARKING SPACES
- C:** 50 X 13.29m FLOORPLATE
5,974 Sq.ft. NETT (555 sq.m)
48 CAR PARKING SPACES
- F:** 71 X 15m FLOORPLATE
9,569 Sq.ft. NETT (889 sq.m)
74 CAR PARKING SPACES
- G:** 71 X 15m FLOORPLATE
9,569 Sq.ft. NETT (889 sq.m)
74 CAR PARKING SPACES

- 2 STOREY SERVICED OFFICES**
- D:** 71 X 15m FLOORPLATE
20,000 Sq.ft. NETT (1,860 sq.m)
74 CAR PARKING SPACES
- 2 STOREY LAB / HI TECH**
- E:** 71 X 18.7m FLOORPLATE
20,000 Sq.ft. NETT (2,070 sq.m)
74 CAR PARKING SPACES
- B2 / B8 UNITS**
- H:** 74.1 X 56m FLOORPLATE
44,670 Sq.ft. NETT (4,150 sq.m)
INC FIRST FLOOR OF 1,000 sq.m
- I:** 58.3 X 30m FLOORPLATE
18,800 Sq.ft. NETT (1,750 sq.m)
- J:** 42.8 X 25m FLOORPLATE
11,500 Sq.ft. NETT (1,070 sq.m)

EXISTING BUILDINGS

- 1:** GROSS FOOTPRINT 646 Sq.ft. (60 sq.m)
- 2:** GROSS FOOTPRINT 2,422 Sq.ft. (225 sq.m)
- 3:** GROSS FOOTPRINT 4,757 Sq.ft. (442 sq.m)
- 4:** GROSS FOOTPRINT 4,273 Sq.ft. (397 sq.m)
- 5:** GROSS FOOTPRINT 3,455 Sq.ft. (321 sq.m)
- 6:** GROSS FOOTPRINT 4,273 Sq.ft. (397 sq.m)
- 7:** GROSS FOOTPRINT 1,765 Sq.ft. (164 sq.m)
- 8:** GROSS FOOTPRINT 3,831 Sq.ft. (356 sq.m)
- 9:** GROSS FOOTPRINT 2,045 Sq.ft. (190 sq.m)
- HOTEL**
- L:** 55 X 16.5m FLOORPLATE
10,000 Sq.ft. GROSS
- 1 STOREY B1 / B2 ACCOMMODATION**
- M:** 22.5 X 21.5m FLOORPLATE
4,000 Sq.ft. NETT (375 sq.m)

PRECISE BOUNDARY LINES TO BE DETERMINED. LAYOUTS SUBJECT TO TOPOGRAPHICAL SURVEY. CAR PARKING ALL DESIGNED TO ACHIEVE 1 SPACE PER 25m² (ASSUMED ON NETT - WITH THE EXCEPTION OF THE HOLLIDAY SITE)

CHAPEL ON LE FIFTH BUSINESS PARK
PREFERRED MASTERPLAN

BDP.