

Strategic Southern Expansion of Peterborough

WORKING PAPER 06: DELIVERING DEVELOPMENT



MAY 2004

WP06

Working Paper 6: Delivering Development

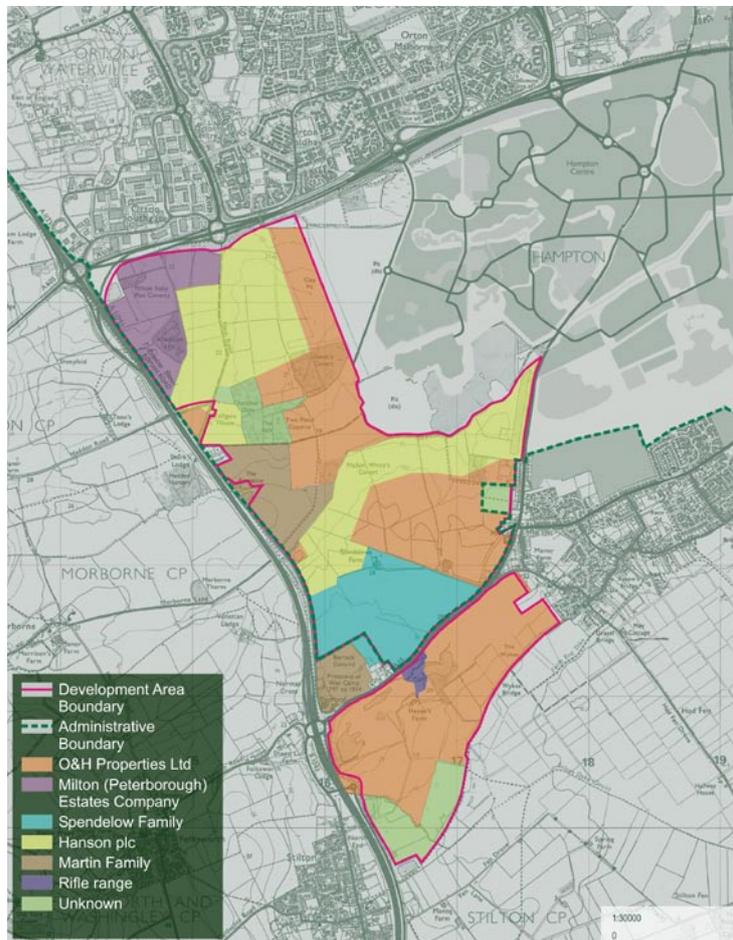
Working Papers 1-5 in this series have outlined some of the issues relating to large scale growth for Peterborough as proposed in the government's *Sustainable Communities Plan*, and the way in which a Strategic Southern Expansion of Peterborough could help to meet this growth in a sustainable and economically viable way.

This Working Paper outlines some of the emerging issues affecting the practical delivery of new sustainable development on the scale sought in the *Communities Plan*, with particular reference to the delivery of development proposals for the Strategic Southern Expansion land.

Land Ownership

The Strategic Southern Expansion land falls within a limited number of land ownerships, all of whom are committed to the long term development opportunities which its allocation in an LDF would secure:

- **O&H Properties Ltd** (the landowner and developer of Hampton) own a significant part of the site. The company also has options over a large part of the remainder of the area;
- **Hanson plc** owns some land within the site, some of which has extant consent for minerals extraction. However, because of the long history of joint working with O&H at Hampton and elsewhere in the UK, Hanson has indicated its willingness to explore joint venture or partnership arrangements with O&H to secure the co-ordinated and comprehensive development of this area. This could involve relinquishing some of the extant minerals consents, or exploring with O&H and the City Council whether the long term development of the area could be phased so that some extraction could take place prior to development;
- **Milton (Peterborough) Estates Company** owns land in the north west of the area, which the company promoted for strategic employment development at the Local Plan Inquiry. O&H is in discussions with Milton Estates regarding the potential for the early release of this land to meet an existing need for strategic distribution development in this location, but planned within a wider sustainable development framework;
- Other areas of land are owned and farmed by the **Spendelow** family (to the immediate north of the A15) and the **Martin** family (land immediately adjacent to the A1(M)). Both landowners are also in discussion with O&H regarding the long term development potential of the land. The families have indicated their willingness to progress development opportunities with O&H, either by way of a formal option



Land Ownership

agreement or a partnership arrangement.

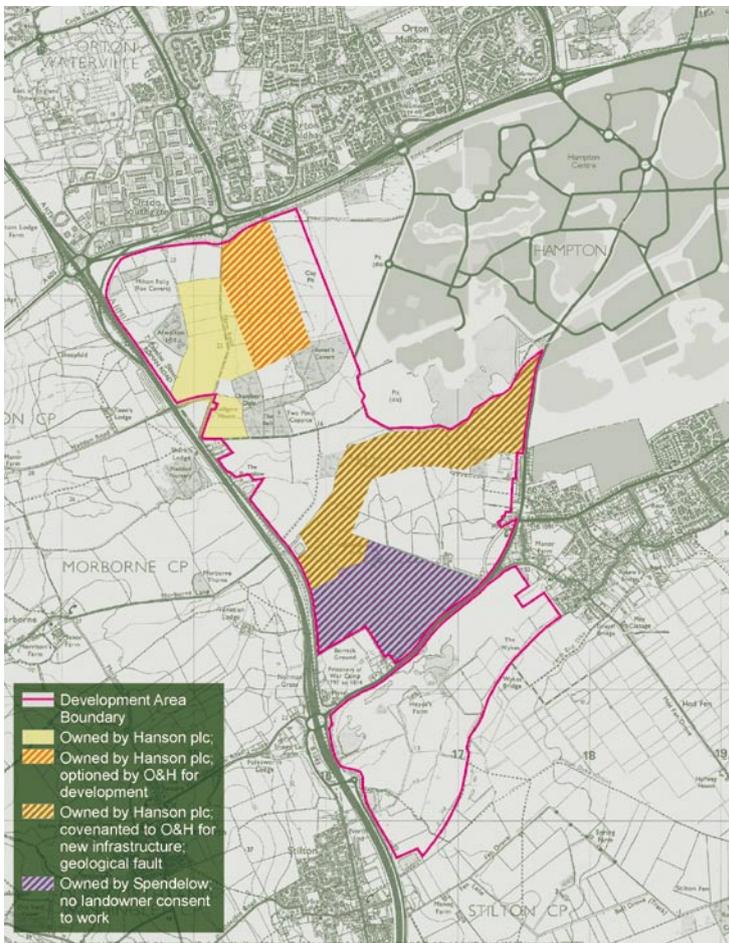
Challenges for Delivery of the Strategic Southern Expansion Land

In terms of securing the effective delivery of large scale development, the Strategic Southern Expansion land has a number of advantages:

- The site is controlled by a limited number of landowners, all of whom have indicated their willingness to progress strategic development in this location;
- No public subsidy is required for the development - it would be capable of delivery in its entirety by the private sector;
- O&H in its role as 'master developer' (see overleaf) has a proven track record in delivery through its involvement at Hampton, both in terms of financing and managing large scale development and in securing high annual build rates by third party housebuilders.

In formulating proposals for its long term development, we have also given consideration to those aspects of the Strategic Southern Expansion land which may challenge high speeds of delivery, namely:

- The potential for administrative difficulties of delivery generated by the straddling of local authority boundaries between Peterborough and Huntingdonshire, despite both authorities being within the defined Growth Area;
- The proximity of the Strategic Southern Expansion land to the candidate Special Area for Conservation to the immediate east of the area. Although not part of the development area and not proposed to be adversely affected by it, the presence of the cSAC will mean that O&H will need to work closely with English Nature to secure its appropriate protection and setting;
- There are a number of extant minerals consents within the Strategic Southern Expansion land (those lying outside O&H's current ownership are shown on the plan below). However, there are a number of reasons why it is highly unlikely that these extant consents would be implemented:



Land outside O&H ownership subject to extant minerals consents

- some consents lie within O&H's ownership and are therefore not intended to be implemented;
- some consents, although within Hanson's ownership, do not have landowner's consent to work the minerals;
- in transferring land at Hampton to O&H, Hanson covenanted to safeguard land to provide for the Western Peripheral Road (permitted under the Hampton planning consents) which dissects the central minerals consent area, rendering it uneconomical to excavate;
- there is a geological fault running through the central area, making this technically difficult and more costly to excavate for minerals extraction.

Nevertheless, O&H recognise that a decision needs to be made by the City Council and others as to the trade-off between the safeguarding of long term mineral reserves and the strategic release of land for development.

O&H are already in discussions with the other landowners and stakeholders to explore ways in

which these potential difficulties could be overcome through joint working and applying best practice in planning and implementation.

Delivery Mechanisms and the Role of O&H

In its role as 'master developer' for the Strategic Southern Expansion land, O&H Properties is committed to the principle of securing 'long term added value' rather than conventional 'short term gain'. The company's ability to successfully adopt this role is demonstrated through its long term role as master developer of the Hampton township.

Through the company's commitment to Hampton and its other land interests in the city, O&H are already heavily involved in and supportive of the continued economic and social health of Peterborough. The company wholeheartedly endorses the inclusion of the city in the Growth Area as a way of continuing to build on its past and current successes.

However, O&H is aware that there may be concerns relating to a perceived over-dependence on a single private sector developer to deliver the quantum of development proposed for the Strategic Southern Expansion land in addition to the company's ongoing commitments at Hampton.

We are mindful of the ongoing discussions which are taking place between the City Council, English Partnerships and the regional regeneration and development agencies regarding the options for a preferred delivery vehicle to assist in the delivery of regeneration and growth for the city of Peterborough.

With regard to the selection of a preferred delivery vehicle for the city as a whole, if it is decided that the Strategic Southern Expansion land is a suitable and acceptable option to accommodate growth, then there are a number of delivery mechanisms which O&H would be keen to explore further:

- (a) some form of **joint venture or partnership arrangement** involving the City Council and/or any special development agency to ensure the orderly and comprehensive development of land brought forward in a way which satisfies the public interest. This arrangement could also assist in overcoming any potential administrative difficulties due to the straddling of local authority boundaries;
- (b) If the City Council and development agencies are confident in the private sector's ability to deliver a certain level of growth within agreed timescales, as all the landowners within the Strategic Southern Expansion land have indicated their willingness to progress strategic development in this location, there would be advantages to delivery if an **alliance** was formed which effectively unified these land ownerships through engaging in a voluntary 'strategic land and infrastructure contract'¹, an arrangement in which O&H would be willing to participate;
- (c) Alternatively, O&H would be willing to negotiate a **legal agreement or planning conditions** to guarantee the phased release of the Strategic Southern Expansion land to ensure that the pace of delivery runs with the land and is secured over the life of the development.

Next Steps

There is a need for more explicit recognition of Peterborough's considerable growth potential and support for its expansion in the emerging revision to Regional Planning Guidance 14. Support at the strategic level - in part through the results of two sub-regional studies currently being undertaken - would give the strategic and local planning authorities the confidence to pursue the options for the long term growth of the city.

If the principle of a substantial expansion south of Peterborough is accepted at this level, then O&H will seek to input to the emerging Local Development Framework for Peterborough by way of an Area Action Plan for the Strategic Southern Expansion land. For those parts of the proposed development which fall within Huntingdonshire District, we suggest that Supplementary Planning Documents could be prepared jointly with the City Council and Huntingdonshire District Council in the context of the Strategic Southern Expansion land. This could form part of the LDFs for both Peterborough and Huntingdonshire, and would facilitate closer and joint working between Growth Area authorities.

Meanwhile, O&H would like to explore further with the relevant authorities the practicalities of adopting a formal or informal partnership approach to delivery, involving strong local authority participation with other public, private and voluntary sector agencies to co-ordinate the city's growth.

¹ *Land Value Capture and Infrastructure Delivery through SLICs*, Article by John Walker, TCPA March 2004