

For publication

Chesterfield Waterside and Spire Neighbourhoods masterplan and delivery strategy

Meeting:	Cabinet
Date:	12 th December 2023
Cabinet portfolio:	Economic Growth
Directorate:	Economic Growth
For publication	

1.0 Purpose of the report

- 1.1 The following report seeks approval to appoint consultants to carry out detailed technical and viability work relating to the Chesterfield Waterside Scheme, Spire Neighbourhood, and the potential wider residential offer within Chesterfield Town Centre - following completion of procurement processes. This will follow acceptance of grant offers from Homes England to part fund this work. These grants have been made to fund viability and technical work on future residential delivery around waterside/town centre and viability work at Staveley corridor.
- 1.2 The following report also sets out the current position regarding the Chesterfield Waterside masterplan, and the future relationship between residential delivery at Chesterfield Waterside and the opportunity to progress the Spire Neighbourhood, a residential 'offer' to support the objectives in the Chesterfield Growth strategy 2023-2027

2.0 Recommendations

- 2.1 To accept the offers from Homes England of £100,000 in grant funding from Homes England to fund housing market evidence base work for Spire Neighbourhood and Chesterfield Town Centre, and £25,000 towards understanding the viability of development within the Staveley Corridor.
- 2.2 To Authorise officers to appoint consultants and issue contracts to undertake work related to:
- i. Chesterfield Waterside - Establishing a detailed understanding of financial viability of the revised scheme

- ii. Spire neighbourhood - assess and understand technical constraints, compile an evidence base, assess financial viability and present areas for consideration possible future projects
- 2.3 And, separately, to Authorise officers to appoint consultants and issue contracts to undertake work related to obtaining an understanding of financial viability and funding issues relating to the future redevelopment of former Staveley Works site in the context of the Chesterfield Staveley Regeneration Route (CSRR).

3.0 Reason for recommendations

- 3.1 To provide up to date evidence base to support implementation of the Local Plan Strategic Sites allocations – SS1 (Spire neighbourhood), SS3 (Chesterfield Waterside) and SS5 (Staveley works) and to support the determination of relevant planning applications and securing of developer contributions.
- 3.2 To maximise the contribution made by development to place making and the provision of community infrastructure to support the development and the community created.

4.0 Report details

Chesterfield Waterside – masterplan update

- 4.1 The Outline Planning Permission (reference CHE/09/00662/OUT), which set out the original vision and framework for Chesterfield Waterside lapsed in March 2021.
- 4.2 The Chesterfield Borough Local Plan 2018-2035 continues to allocate the site for comprehensive development in “accordance with an adopted masterplan”, although the lapsed outline permission has a clear masterplan, aspects of this masterplan, such as high density apartment residential are no longer in step with market demand. The existing masterplan was prepared on the assumption that the majority of the site would be brought forward by a master developer, allowing for the co-ordination of the various ‘Character Areas’ described in the masterplan.
- 4.3 In July 2023, Cabinet considered a draft refresh of a masterplan for Chesterfield Waterside and authorised Cabinet member for climate Change, Planning, and Environment, in consultation with officers and the Service Director - Economic Growth, to finalise materials and arrangements for consultation. The consultation was deferred pending the determination of an appeal relating to the Tapton Business Park site, which has now been concluded, granting permission for a development of 144 additional dwellings.

Chesterfield Waterside – viability and delivery plan

- 4.4 The viability of the proposed development was a key material consideration in determining the recent planning application for the Tapton Business Park site, with the developer arguing (successfully in this case), that the development could not support significant investment in infrastructure (although a review mechanism has been put in place). It is anticipated landowners/developers submitting future planning applications at Chesterfield Waterside, developers will also seek to submit viability evidence with the in tension of demonstrating it is not 'financially viable' for their development to provide some or all of the infrastructure officers have defined in the draft masterplan as being 'critical' to a comprehensive neighbourhood.
- 4.5 To assist the Council in both determining future planning applications and gaining a comprehensive understanding of future development viability, £40,000 has been set aside from the Business Rates Retention budget. Homes England funding will also supplement the viability assessment through exploring all possible routes and structures open to assist delivery, for example opportunities available to obtain external funding or recover up front public investment. Officers are seeking authority to appoint a consultant to provide detailed advice. This advice will also include recommendations around what steps the Council can take to improve the financial viability of developments and a possible strategy for achieving this.
- 4.6 The desired outcome of the viability analysis and delivery strategy will be for the Council to secure delivery of a comprehensive development at Chesterfield Waterside, which contains public infrastructure and connects the various land parcels currently in multiple ownership, rather than a series of developments that do not relate to each other and do not create a sense of place for future residents.
- 4.7 Officers have been working closely with Homes England over the past three years and has secured grant funding which has enabled the council to carry out assessments of the wider market context, technical assessment of infrastructure and in this financial year, a grant has been secured to carry out the work identified that is needed to understand viability and delivery options.
- 4.8 The successful delivery of Chesterfield Waterside will shape the future housing market and provide tangible momentum to enable the council to enable and deliver Spire Neighbourhood.

Spire Neighbourhood - Defining and setting a road map to delivery

- 4.9 The Chesterfield local plan – 2018-2035 identifies Spire Neighbourhood as part of strategic site SS1 (Chesterfield Town Centre), a potential residential area consisting of previously developed sites and car parks located between St Mary's Gate and the A61.

- 4.10 Over the past decade the pace of change in and around the town centre has increased as many of the established uses, such as retail, method of socialising and previously in person services such as banks has declined.
- 4.11 The Council has responded to this challenge through a clear objective set out in the Chesterfield Growth Strategy 2023-2027 as community leaders to “Strengthen the distinctive character and vibrancy of our town centres”
- 4.12 It is intended that Spire neighbourhood will be the ‘primary’ residential ‘offer’ for the town centre area, containing high quality new build homes, along with re-purposing buildings that are no longer fulfilling their intended purpose for retail, office, or leisure use.
- 4.13 Spire neighbourhood will be a planned neighbourhood of homes for new residents in the town centre. New residents will assist vibrancy through supporting businesses in the town centre, along with supporting the town centre as a location for agglomeration of services and, through being located next to transport hubs, support climate change objectives by promoting active travel and public transport use. Spire neighbourhood will play a complimentary role supporting and in turn benefiting from investment in levelling up and public realm works to create a high quality public and private environment in and around the town centre.
- 4.14 To assist with defining what Spire neighbourhood will look like, how it will connect to the other parts of the town centre, understand constraints such as ground conditions, noise, pollution and where vital infrastructure is required, an evidence base is needed. . It is also essential a sound understanding of potential future customer preferences is obtained, so a future development plan will ensure that Spire neighbourhood will be a location of choice for future residents, how this can be assembled/facilitated and if there are any barriers to viability and delivery.
- 4.15 Homes England recognises the need for an approach to revitalising the urban area that is not just based on a single site, such as Waterside, but also includes a holistic and integrated approach and have made an offer of £100,000 to contribute towards understanding the viability and technical requirements of Chesterfield Waterside and Spire neighbourhood.
- 4.16 The grant funding from Homes England will be combined with existing business rates retention budgets allocated for Chesterfield Waterside to deliver all parts of the brief for Waterside and Spire assessments, with no additional contribution from the Council required. A tender is currently out to market for a consultant to carry out the work identified above, it is a requirement of the grant that work is completed by the end of March 2024, authority is therefore sought to appoint consultant and issue contract once procurement processes have been followed.

- 4.17 To achieve a synergy between Waterside and Spire it is believed a single contractor will deliver a consistent analysis and enable cross over benefits such as sharing economic analysis, technical consultants and as highlighted, viewing the area holistically. It is therefore important that a single contractor is appointed, and the value of this contract be up to £140,000
- 4.18 It is also intended that alongside building on a very successful relationship with Homes England over the past three years, this will lead to a potential opportunity to secure large capital grant for infrastructure to deliver Waterside or Spire neighbourhood as part of Homes England future grant programmes.
- 4.19 The evidence base established through defining Spire neighbourhood will also form part of a future town centre masterplan and support other work streams currently exploring options for Pavement shopping centre, Revitalizing the Heart of Chesterfield and Levelling up fund.

Staveley works – understanding viability

- 4.20 Officers have also secured a grant funding offer of £25,00 from Homes England to help understand the complex viability situation on strategic site SS5 (The Staveley and Rother Valley Corridor).
- 4.21 To date the focus around Staveley Works/Corridor has centred around the support the Council can provide to Derbyshire County Council to bring forward the Chesterfield Staveley Regeneration Route (CSRR), which is subject to a separate bid for funding via the East Midlands Large Local Major scheme (funded by the DfT). The CSRR is essential to regenerating the area of the former Staveley Works into 1500 new homes and future employment sites.
- 4.22 A more detailed understanding of the financial viability of the elements of regenerating Staveley works is required. It is highly likely that over the medium and long term, a substantial capital grant will be required to support delivery of the infrastructure and connections, such as a local centre, school, active travel paths and connections which are additional to the CSRR and are essential to ensure regeneration delivers a quality new neighbourhood.
- 4.23 The grant funding from Homes England would fund a viability expert to provide a baseline viability that could support future grant applications and assist the Council in determining planning applications for the regeneration of the Corridor.
- 4.24 Authority is therefore sought to accept the grant funding offer and following successful completion of procurement process, appoint a consultant and issue a contract.

5.0 Alternative options

5.1 In preparing this report, the following alternatives were considered:

Chesterfield Waterside masterplan viability and delivery strategy

- 5.2 **Do nothing** – limited weight can continue to be given to the existing masterplan in determining planning applications at Chesterfield Waterside. There has also been a successful challenge by an applicant for planning permission, on viability grounds, to providing the infrastructure identified in the existing and emerging Masterplans. In the absence of up to date viability information, this challenge is likely to be successfully replicated through other applications for development within the Waterside development. . There is also a strong possibility that a do nothing option will see piecemeal development around the town centre with reduced quality conversions, potentially creating a barrier to town centre regeneration and economic development.
- 5.3 **Developer led** – The developer responsible for the previous outline planning application and masterplan at Chesterfield Waterside has clearly indicated that they are not in a position to prepare a replacement masterplan for the entire site. There is no alternative developer in place to take a strategic view of Spire Neighbourhood and as this area has been identified as requiring significant co-ordination it is not likely that one will come forward without direct intervention by the Council
- 5.4 **Entirely In house Review** – the Strategic Planning Team has already reviewed key elements of the development and prepared a revised masterplan, however the team (and by extension the wider Council) does not have the specialist skills required to undertake the viability elements of the review set out above.
- 5.5 The three preceding options risk a piecemeal approach to development that does not deliver the required infrastructure to support a new community. These options have therefore been rejected.

Spire neighbourhood

- 5.6 **Do nothing** - no work would progress on defining Spire neighbourhood and it would not be possible to realise the potential benefits of spire neighbourhood.
- 5.7 **Fund a review from existing and future budgets** - The council has considerable pressure on capital and revenue budgets and no additional budget has been identified to fund future work.

Staveley Rother Valley Corridor viability assessment

- 5.8 **Do nothing** – there are currently two planning applications for residential development on the former Staveley Works site CHE/17/00644/OUT (from Harworth Group) for 590 dwellings and CHE/19/00103/OUT (from Devonshire Group) for 700 dwellings. These are complex applications and Harworth have confirmed there is insufficient financial viability to provide vital placemaking infrastructure, for example active travel connections, biodiversity net gain, and to also make a financial contribution towards the delivery of the Chesterfield Staveley Regeneration Route (CSRR).
- 5.9 A do noting option is likely to result in position where the LPA is required to either agree with the developers position on viability, resulting in a loss of opportunity to capture vital infrastructure, or apply for future external funding to provide infrastructure, or face a serious challenge from the developer on viability grounds.
- 5.10 The council could fund a detailed assessment of viability from own resources, - this would increase the call on resources thar are currently extremely stretched. This would also present future difficulties in terms or accessing future Homes England capital funding pipeline as the assessment might not cover all areas they require to support future business case.

6.0 Implications for consideration – Financial and value for money

- 6.1 The assessments would utilise £125,000 in grant funding from Homes England, which could not be used for any other purpose.
- 6.2 The remainder of the funding would be sourced from existing budgets of £40,000 Business Rates Retention allocated for Chesterfield Waterside in the current financial year 2023-24
- 6.3 The requirement of the grant funding is that all work is completed by the end of March 2024. There are no other conditions to the funding.

7.0 Implications for consideration – Legal

- 7.1 The funding offer from Homes England needs to be formally accepted.
- 7.2 Approval is already in place (see above) to use the Business Rates Retention fund to support the delivery of strategic sites including Chesterfield Waterside.

8.0 Implications for consideration – Human resources

- 8.1 The aspects of the review not to be undertaken by specialists would be carried out by officers of the Strategic Planning Team. This is within the

team's core role, of delivering the Local Plan and the implementation of Strategic Sites.

- 8.2 The Council's Housing Delivery Manager, based within the Strategic Planning Team, would be the project manager for the consultancy aspect of the review.

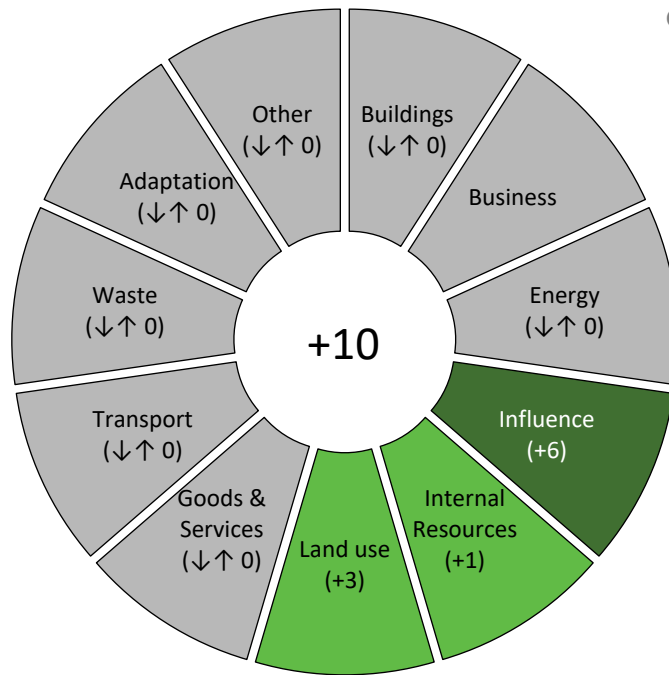
9.0 Implications for consideration – Council plan

- 9.1 The review of the Waterside Masterplan would support two of the Council Plan's priorities:
- i. Making Chesterfield a thriving borough
 - ii. Improving quality of life for local people
- 9.2 Developing an understanding of future residential Spire neighbourhood, will deliver objectives set out in the Chesterfield Growth Strategy 2023-2027 and strategic site allocations in the Chesterfield Local Plan 2018-2035
- 9.3 Enabling Chesterfield Waterside is specifically set out as one of the Council Plan's objectives under making Chesterfield Borough 'a great place to live, work and visit'
- 9.4 It would also contribute towards the objectives to:
- i. Provide quality housing and improve housing conditions across the borough
 - ii. Improve our environment and enhance community safety for all our communities and future generations
 - iii. Help our communities to improve their health and wellbeing

10.0 Implications for consideration – Climate change

- 10.1 This report seeks to authorise supporting technical work to undertake a review of the masterplan. The Climate Impact Assessment is not based on the impact of the development proposed in an updated masterplan, but on the impact of the process of preparing it. The allocation of the sites in the adopted Local Plan included a statutory requirement to undertake a Sustainability Appraisal and the revised Waterside masterplan is subject to its own separate Climate Assessment.

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Chesterfield Borough Council has committed to being a carbon neutral organisation by 2030 (7 years and 1 months away).

11.0 Implications for consideration – Equality and diversity

11.1 It is not expected that it will have any direct negative impacts on any protected groups or characteristics at this stage; there may be some positive impacts on some groups (age, disability, and pregnancy/parental leave) as the evidence prepared will support the council in negotiating for developer contributions to active travel infrastructure and play/open space provision on current applications. A separate assessment will be undertaken for the updated masterplan at the appropriate time.

12.0 Implications for consideration – Risk management

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Not accepting offer of Homes England funding means that council will be unlikely to access future HE funding	High	Medium	Approve recommendations as set out in the report	Med	Low

Development of Chesterfield Waterside and Spire neighbourhood occurs in a piecemeal manner due to lack of up to date masterplan	High	High	Undertake review of masterplan as set out in report	Med	Low
Council is unable to secure developer contributions towards critical infrastructure from individual planning applications – resulting in incomplete infrastructure or additional future requests for CIL funding	High	High	Undertake review of masterplan as set out in report	Med	Low

Decision information

Key decision number	NA
Wards affected	Spire, Staveley North

Document information

Report author	
Marc Hollingworth	
Background documents	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
AECOM Waterside Strategic Review BNP Paribas Market Review Dataloft Rental Market Review	
Appendices to the report	

