

PROPOSAL FOR

# Strategic land and property capacity

Proposal by **BBP Regeneration**

For **Shepway District Council**

February 2014

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# Introduction

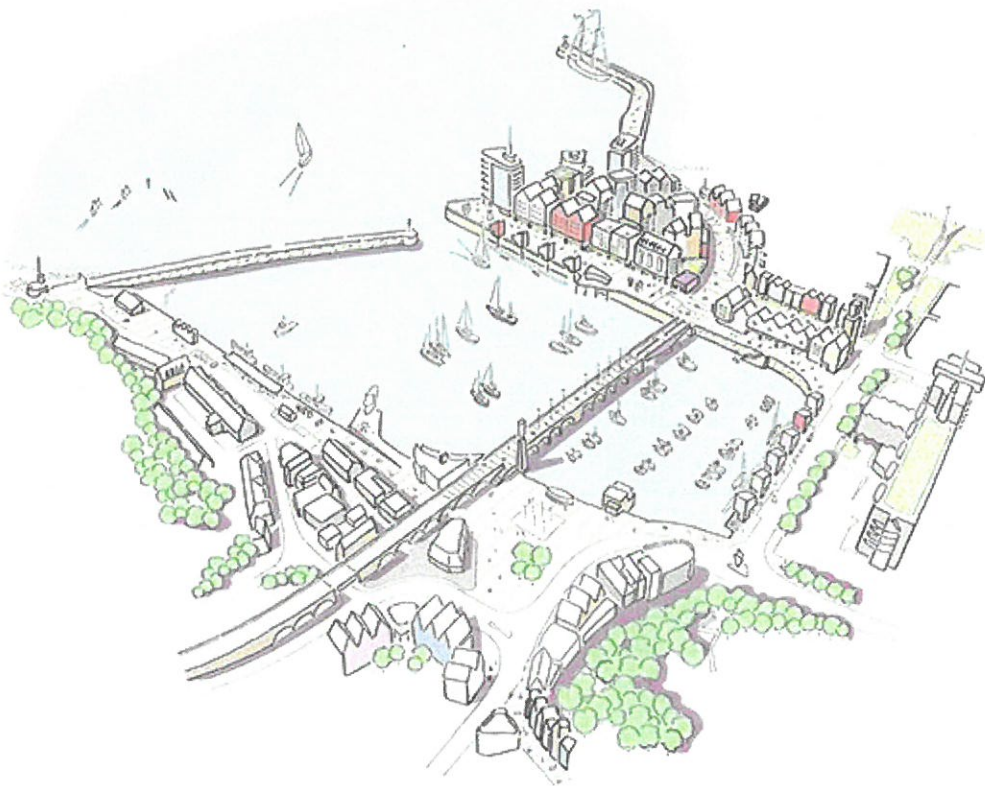
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BBP Regeneration is delighted to submit this proposal to provide an experienced land and property expert to provide senior level consultancy services to Shepway District Council for a period of up to two years.

For this response we have teamed up with Stephen Sadler, a long standing Associate of BBP with whom we have worked on many projects over the last 20 years or so.

The nature of the role requires a senior and experienced person who will input the majority of time and who can gain the confidence of senior management and Members at the council and with external stakeholders. We have proposed Stephen for this role, however, given the breadth of services required our approach will be to offer additional resources and back up to Stephen through other members of the BBP team.

Our team brings a track record of successful 'hands on' delivery of projects. Many of the projects we have been involved with are complex and in areas of relatively weak demand with low values requiring the public sector to adopt an interventionist approach towards delivery. We believe we are industry leaders in this field and bring experience highly relevant to a number of the challenges faced in Shepway.



# Our appreciation of the brief

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The brief very clearly sets out the scope of the services required. Essentially it recognises that land, property, and infrastructure have a key role to play in delivering economic growth and new housing in Shepway and that a resource is required to drive this agenda forward:

- To provide strategic leadership, advice and support on land and property matters
- Engage with council officers and members and with stakeholders in the public and private sectors
- Help the council prepare delivery plans, procure and oversee the implementation of a range of development projects

We will need to play a leading role in helping the council achieve the Corporate Plan targets and deliverables including:

- Increasing the supply of business incubation units – 48 businesses, 140 jobs
- Supporting the redevelopment of key Shepway sites (identified in the Councils Core Strategy local plan) – 20 Ha of additional land/premises by 2031
- Supporting town centres across the district
- Providing space for new homes – 2,000 to 2,500 new homes by 2031
- Providing new council owned housing 300 units pa over a 10 year period
- Helping the council establish a regeneration and housing company

Our inputs will be based around helping to bring forward 'priority projects' and helping the council progress the 14 'Strategic and Property Projects' described in the council's Asset Management Plan (2013 -2018), namely:

- West Hythe Beach
- Cheriton Road Sports Ground
- Seafront Development and TIC site
- ADP Sites Phase 3
- HRA New Build Programme
- New Swimming Pool
- Princes Parade
- Beach Chalets
- Battery Point Car Park
- Martello Tower
- The Civic Centre
- Bouverie Square Bus Station
- Mountfield Road

It will clearly be important for us to agree the priorities in our work programme in order that we can allocate most resource to those projects which are likely to deliver the greatest level of benefits and stand the best chances of success. Our focus must be on 'delivery'.

The brief asks that we describe some of the factors influencing the success of commercial and residential development in the district. We have set out a number of factors which would influence our approach:

1. **Establishing a pipeline of 'development ready' sites.** This is fundamental. It requires sorting out ownerships, land assembly, using CPOs where necessary and working with landowners and development partners. It requires a supportive planning policy framework. It may require carrying out or facilitating enabling works to allow for viable development to take place. This is a complex process which requires a deep understanding of the development industry, risk transfer and project viability.
2. **Finance and Funding** –Commercial and residential values in Shepway are low by south-east benchmarks which creates viability issues for the private sector. A range of funding sources will need to be targeted along with the use of public assets, where necessary adopting a risk sharing approach.

The era of RDA funded capital projects is in the past and the new era requires local authorities to adopt creative and enterprising approaches towards leveraging finance through revenues generated by growth, e.g S106/CIL, New Homes Bonus, NNDR. Our team bring a lot of experience on accessing both public and private funding streams. We are closely involved in developing the thinking for the SE LEP and its proposed South East Fund (SEFUND). We are familiar with the range of financial incentives and freedoms and flexibilities that encourage local authorities to actively promote growth and to participate directly in delivering new housing.

3. **Transformational Projects** – The work being undertaken on the waterfront and in the creative quarter has gained national recognition and will be game changers for Folkestone. The next steps in terms of progressing from planning stage to delivery for the waterfront are in some ways the most challenging. Our team brings a huge amount of experience in delivering large scale waterfront projects around the country. We managed the regeneration of Chatham Maritime in north Kent, for over 10 years, we have worked in Teesside, Plymouth, Liverpool, and on the plans for Shoreham Harbour. Locally we led on the plans for Dover Waterfront, a strategic allocation in the Core Strategy, which will be brought forward as soon as there is clarity over the long term future for Dover Port.
4. **Timing** - The macro-economic picture is improving. There has been a noticeable pick-up in activity by house builders and commercial developers and slowly the supply of development finance is improving. This is a good time to be delivering growth and regeneration and it is important to capitalise on this window of opportunity within the economic cycle.

# Activity schedule

Our activity schedule, set out in the table below, illustrates the number of days and day rates for each team member over a two year period.

By way of introduction we propose to operate with reference to a 'monthly work programme'. This will set out tasks to be undertaken on a month by month basis and the resources proposed to be used. It will be reviewed internally within the BBP team each month and also with the client providing a tool to monitor performance and adjust forward looking priorities on a regular basis. We would happily consider a two weekly interim progress report if this was thought to be useful.

In terms of the activities undertaken by each individual we have proposed that Stephen Sadler will take the lead role and will input the majority of the time. Other members of the BBP team will be available to undertake specific tasks. This has the advantage of offering resilience/back up in the case of unforeseen events (eg ill health) and enables the council to access to the full range of skills and experience BBP can offer. It also offers better value for money by offering a range of day rates.

Stephen Sadler will take the lead consultant role. He will:

- Provide day to day contact with the client and other council officers and members
- Will be the main contact point of contact with external stakeholders
- Provide advice and support on corporate and project specific matters
- Have lead responsibility for driving forward specific initiatives and projects

Rob Bennett and Stephen Pritchard will be available for specific assignments agreed with the client as part of the monthly review process. We anticipate these will relate to major projects, funding or other strategic initiatives.

Martin Howard and Andrew Smith will be available for specific assignments agreed with the client as part of the monthly review process. We anticipate these will be project related, for example, relating to viability testing, procurement or negotiating partnership arrangements.

Ricky Thakrar will also be available for specific assignments agreed with the client as part of the monthly review process. We anticipate these will relate to research, data collection, property market studies, development appraisals.

Activities	Name(s) of member of staff	Number of days	Fixed price (£)
	<b>Stephen Sadler</b> , Senior Consultant (£     per day)		
	<b>Rob Bennett / Stephen Pritchard</b> , Founding Partners (£     per day)		
	<b>Andy Smith / Martin Howard</b> , Partners (£     per day)		
	<b>Ricky Thakrar</b> , Consultant (£.     per day)		
<b>Incidental fees and expenses (travel and subsistence)</b>	n/a		
<b>TOTAL</b>	n/a		

This fee proposal allows for a total of 268 days of consultancy input over a two-year period, which generates a total fee of £139,740 including expenses but excluding VAT. We propose invoicing monthly in arrears.

The day rate (based on a minimum of 7.5 hours) is as indicated in the table. Ad hoc hourly rate will be the day rate divided by 7.5.

The split of inputs between different team members may vary. This would be on a fully transparent basis presented in the monthly reports. We would not however exceed the total resource/cost indicated without your prior approval in writing.

We do not intend to sub contract any elements of this assignment. Members of our team are Chartered Surveyors and we are able to provide opinions of value, however we would not provide formal RICS Red Book valuations as part of this service. We do have a range of local contacts and can procure these (and other specialist) services when required on behalf of the council. We are happy to adopt local supplier sourcing when doing so.

# Relevant expertise and experience

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*Together, our team has technical knowledge and experience relevant to each aspect of the brief. We have a long-standing history of working together as a team to deliver successful projects.*

## Our expertise



[www.bbpregeneration.co.uk](http://www.bbpregeneration.co.uk)

BBP Regeneration provides consultancy services covering all stages of the regeneration process from core research and forecasting through to options analysis, strategy formulation, financial and economic appraisal, monitoring and evaluation, and project delivery. Understanding, assessing and facilitating development viability and delivery is at the heart of our service offer.

We act for major developers and landowners, as well as Government departments, Local Authorities, and a number of other public and private sector organisations.

BBP personnel have a long track record in assessing innovative and difficult development projects, and in establishing and delivering strategies that will ensure that specific sustainable regeneration and growth schemes are both market-orientated and capable of being funded and implemented.

Specialist services offered by BBP include Economic Appraisal, Monitoring and Evaluation; Financial Modelling and Feasibility Assessment (including the assessment of options and weighing up of costs and benefits, risks and uncertainties); Delivery and Funding Advice (particularly including governance, delivery and advice on funding strategies and raising finance).

## Selected experience - Stephen Sadler

### Shearway / Hawkinge

Commenced negotiations with David Walton, Managing Director of F&D Water Company for the relocation and redevelopment of their Shearway HQ and also housing developers regarding a potential residential JV at Hawkinge.

### Miscellaneous, Shepway DC

Partook in discussions regarding the Shorncliffe redevelopment proposals, potential to remodel Bouverie Place/bus station and arena leisure/Folkestone racecourse.



### Lydd Airport

Engaged in the expansion proposals of Lydd airport where PB had been advising the owners for some years.

### Buckland Paper Mill, Dover

On behalf of SEEDA, negotiated and acquired from Arjo Wiggins and subsequent ongoing redevelopment of Buckland Paper Mill, Dover for mixed residential, employment and community uses.

### International House, Ashford

Negotiated and acquired International House, Ashford from Bourne End Properties, and subsequent refurbishment to provide SEEDA with a substantial income producing rental stream.

### Ropetackle, Shoreham-by-Sea

Responsibility for the land acquisition/CPO strategy selection and subsequent development agreement negotiations with JV partner Berkeley Homes, acting as client rep during the implementation of the award winning 'Ropetackle' residential led mixed use scheme and negotiated a robust profit share for SEEDA.

### Senior Management Team, SEEDA

As a member of the senior management team responsible for setting up and running English Partnerships South East Development Programme and subsequently projects director at SEEDA, Stephen had hands on experience of successfully identifying/appraising, championing investment in and delivery of mixed use projects in Shepway.

### Saga HQ, Sandgate

Led negotiations with Roger and Peter de Haan to provide funding for the abnormal development costs associated with the Saga HQ building at Sandgate.

### Shearway Business Park

Engaged with SDC to negotiate a development agreement for the funding and implementation of the primary infrastructure and subsequent development of Shearway Business Park including Basepoint, Border Agency, gym etc.

### Mountfield Road, New Romney

Responsible for negotiating funding for the Mountfield Road, New Romney infrastructure to expand employment units following de-designation of the rural DevCo.

### Folkestone Estate

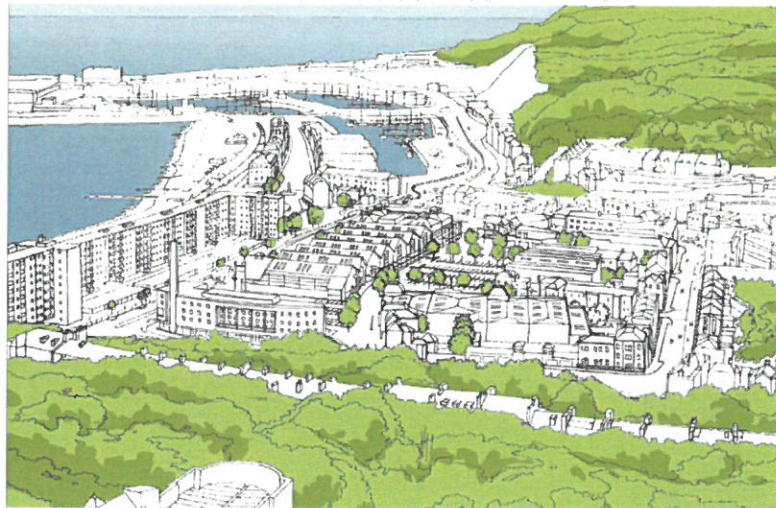
Held regular meetings with Earl Radnor, the Folkestone Estate and their advisers regarding integration of various assets into the emerging seafront/harbour regeneration opportunities together with Roger De-Haan, the creative foundation and the late Jimmy Godden portfolio.

## Selected experience - BBP Regeneration

### St James's, Dover

Development advice on planning, feasibility and procurement for a major town centre development in Dover

Client: **Dover District Council**  
Period: **2005-2012**  
Services provided: **Regeneration, planning, feasibility, procurement**



#### The brief

The St James's area of Dover has been promoted as an extension to Dover's town centre with opportunities for substantial retail, leisure and housing uses. It is a high profile site with an area of 4 ha fronting the A20 Dover port access road, which has been in a rundown state for many years. BBP provided development consultancy advice to Dover District Council. Initially, we were engaged to assess viability, subsequently resulting in an ongoing appointment to advise on planning briefs, preparation of a prospectus and marketing of the opportunity, selecting a development partner, negotiating terms and providing continued support through planning, land assembly and legal processes.

## Our approach

BBP worked closely alongside the Officer team, providing development advice, undertaking financial appraisals, helping to secure additional funding (through the South East England Development Agency and the Homes and Communities Agency) and leading the negotiation with the Council's development partners. We have provided Members' briefings and reports to the Cabinet and the full Council. Our experience in delivering complex development schemes in areas where viability is marginal has enabled us to provide a seamless service and expert advice, from initial feasibility to the signing of development agreements, acquisition of key sites, securing planning permissions and compulsory purchase procedures to complete land assembly.

## Outcomes

This proved a challenging assignment: demand from end users and developers was weak, a number of third party property interests had to be acquired to enable comprehensive development to take place and there was a funding gap that need to be bridged to achieve viability. BBP helped the Council overcome a series of hurdles. We led the drafting of planning policies; helped secure over £7 million of funding support to acquire third party property interests; helped the Council secure a development partner and restructured arrangements following the withdrawal of an anchor supermarket. A revised retail-led scheme has been consented and a number of leading UK retailers and leisure operators identified as pre-lets. There is a real belief locally that this important building block can help Dover's town centre recover and stimulate further investment in a town with an ambitious growth agenda.

## Ashford Southern Expansion Quarter

Leading the preparation of a Delivery Framework for the development of the Southern Expansion Quarter in Ashford

Client: **Ashford's Future**  
Period: **2010-2011**  
Services provided: **Delivery & Intervention Strategy, Market Review, Viability Analysis, Targeted Consultation, Visioning & Place Making**



## **The brief**

BBP Regeneration led a multidisciplinary team including LDA Design and Campbell Reith to prepare a Delivery Framework for the development of the Southern Expansion Quarter in Ashford – a major brownfield opportunity area adjacent to the town centre. The site is in multiple ownerships with a range of physical and viability issues.

The brief required a realistic and evidence based approach which sought to maximise the area's development and economic potential, and to maximise the beneficial impact to the town. It required a coherent vision that challenged existing thinking but was focussed on securing development and capitalising on previous public sector infrastructure investment.

## **Our approach**

The first phase of the assignment involved detailed analysis of the key parameters affecting development in the SEQ. This included a site by site assessment as well as analysis of the surrounding area. We considered physical, legal, policy, socio economic and market conditions. Area-wide analysis of the SEQ was also undertaken to examine connectivity, movement and infrastructure opportunities and constraints. Local partners, including land owners, officers and elected members, were consulted to understand their aspirations for the SEQ, and the views of property agents were collated to provide a detailed understanding of local market conditions.

This information was brought together as a series of development options which were consulted upon. Site-specific development appraisals were prepared to test the commercial viability of the options and were amalgamated into an area-wide development model. A key element of our work was to challenge existing thinking, and to guide policy makers on the market and financial conditions as well as the drivers for change.

A preferred option for the SEQ was selected based on stakeholder dialogue and the ability to meet the urban design and sustainability objectives for the area. Our approach was then to identify specific and deliverable intervention recommendations to stimulate a market led solution.

## **Outcomes**

Two reports were prepared for the client: a high level summary brochure to be used to publicise the vision and opportunities presented by the Southern Expansion Quarter, and a more detailed private report for the client setting out in detail specific issues, viability challenges, landowner perspectives and a detailed intervention strategy to be used to inform public policy.

BBP received extremely positive feedback for the quality of work and the visionary approach taken. Ashford Borough Council offered to act as a future referee for this type of work being highly satisfied with the outcome.

# Newhaven Community Hub

## Preparation a full Business Case and Application to the CLG Community Builders Fund

Client: **Newhaven Community Development Association (NCDA)**  
Date: **2010**  
Location: **Newhaven, East Sussex**  
Services provided: **Business plans, economic appraisal, feasibility studies, funding advice**



### The brief

BBP were appointed by NCDA, a local charity, to prepare and present a full business case and funding application to CLG's Community Builders Fund for revenue and capital investment to acquire and redevelop an existing High Street property to provide a mixed use Community Hub, including new Library, Advice Centre, Enterprise Workspace and Café into one integrated building.

### Our approach

BBP helped to conceive and initiate the development, acting as development advisor and development manager to Newhaven Community Development Association (NCDA) in partnership with East Sussex County Council. We worked with the client to prepare a compelling investment case, identifying both qualitative and quantitative outcomes and ensuring that a robust, evidence based financial, development and governance plan was in place. This was achieved by working very closely with the client, understanding their particular needs and dovetailing these with the Community Builders investment criteria. BBP selected, appointed and managed external architects, quantity surveyors and structural engineers to ensure a very robust and detailed business plan was prepared. BBP specifically undertook all market research looking into the local employment market and occupier demand, and prepared the financial plan before writing the Business Plan and making the funding application on behalf of our client. WE attended several rounds of interviews with the client including making presentations to the Investment Committee.

### Outcomes

We successfully secured revenue grants from Community Builders and the South East England Development Agency (SEEDA) to fund the initial investigation work, and then a capital investment allocation in excess of £1.5m for the site acquisition and redevelopment for NCDA. We successfully challenged the initial split of grant to loan offered based on anticipated revenue income stream and the risk profile to the charity securing a greater proportion of grant and a deferred payment profile for our client. BBP's involvement with the project finished with the granting of a detailed planning permission in 2011.

## Whitfield Expansion Area

**Reviewing draft masterplan and supporting evidence base. Making SPD representations on behalf of Crest Nicholson**

Client: **Crest Nicholson**  
Date: **2010**  
Location: **Whitfield, Dover**  
Services provided: **Configuring delivery arrangements, feasibility studies**

### The brief

BBP was instructed by Crest Strategic Projects Ltd to prepare a delivery framework for Whitfield Urban Expansion Area, considering the strategic infrastructure requirements, financial viability on a phases by phase basis and funding strategy. The SPD Masterplan set out the principles for the delivery of 5,750 new homes and associated infrastructure, landscaping and community facilities. Crest controlled the majority land interest and sought amendments to the emerging document, particularly relating to access, phasing and the delivery of strategic infrastructure.

### Our approach

BBP provided evidence to support a more holistic approach to infrastructure delivery across multiple land ownerships and developer interests, to avoid 'ransom situations' developing and help secure the delivery of the whole of the urban expansion as required by existing policy. The project team worked together to make a co-ordinated and considered response, that both challenged the current conclusions and offered suitable alternatives for Dover to consider.

### Outcomes

This work, undertaken as part of a multi-disciplinary project team, was used to inform representations to Dover District Council on the emerging Supplementary Planning Document.

# Roehampton Town Centre

## Preparing funding bid for Outer London Fund (Round 2)

Client: **London Borough of Wandsworth**  
Period: **2011**  
Services provided: **Financial advice, funding bid preparation**



### The brief

BBP was appointed by the London Borough of Wandsworth to prepare an Outer London Fund Round 2 funding bid for Roehampton centre.

The Outer London Fund provided £50 million of funding over three years, to strengthen the vibrancy and economic growth potential of Outer London's high streets and surrounding areas. The purpose was to bring local communities together to deliver a range of projects that would provide a much needed boost to local economic centres and promote joint-working amongst local organisations and individuals.

Despite being close to other affluent areas, Roehampton experienced deprivation, had a comparatively poor retail offer and public realm, and had connectivity issues. Each of these was to be addressed through a series of projects and initiatives under development, including seasonal festivals, new community groups and public realm improvements. The improved footfall and usage of the central area would also help address anti-social behaviour problems.

### Our approach

BBP prepared a funding bid that developed the business case for Roehampton's regeneration plans, demonstrating a clear alignment between the objectives of this and the awarding criteria of the Outer London Fund.

The centrepiece of the proposals was the creation of a new public Square in the heart of Roehampton. This was to prioritise pedestrians in a 'shared space' and enhance the existing green space. It was aimed at encouraging increased levels of activity in the central area making it an exciting and vibrant place. Additional

works included access improvements to improve connectivity between the car park and sports centre and the provision of an area for a pop-up community information hub / café fronting the new Square.

The programme formed an initial phase of longer term plans for the renewal of the Roehampton Estate being led by the Council. The public realm improvements were to be followed by further works including the over-cladding of existing residential blocks, the provision of a new café fronting the Square and the redevelopment of one residential block for private housing and ground floor retail uses fronting the new Square.

It was estimated that the programme would lever in approximately £31 million public and private funding for the long-term regeneration of Roehampton. The economic uplift created by the investment would be significant, with indirect outputs including 44 new jobs, 90 new homes and over 1,000 sqm (10,700 sq ft) of new retail and commercial floorspace.

BBP set out proposals for governance and management, which involved Wandsworth Council overseeing the delivery of the programme, drawing on resources from a number of departments, including Economic Development, Housing and Arts. Ongoing community engagement would be achieved through the Roehampton Trust, with the Roehampton Partnership providing guidance through its cross section of local stakeholders.

## Outcomes

The quality of the bid was commended by the client although ultimately funding was not awarded, due to other bids having a closer match with the fund's criteria including centres which had suffered damage from the London riots. Nevertheless, the exercise was considered by the Council to have been valuable in that it helped to galvanise action and get a number of the Council departments working together to agree the approach for rejuvenating Roehampton centre.

## Charnwood Residual Housing Strategic Market Testing

### Preparing a Housing Market Report as part of the Public Evidence Base for Charnwood Borough Council's Emerging Core Strategy

Client: **Charnwood Borough Council**  
Period: **July 2012**  
Services provided: **Housing Market Review, Targeted Consultation, Market Impact Analysis**

## The brief

Through the emerging core strategy, Charnwood Borough Council had identified a shortfall in projected housing delivery in the period to 2026. A number of potential Strategic Directions For Growth, both within and outside the Leicester Principal Urban Area, had been identified and options were being consulted upon. However the Council wished to understand the potential each has to enhance unit delivery and in particular the potential market impact of releasing additional residential development land on existing development allocations.

BBP Regeneration was appointed to investigate market conditions, capacity and potential impacts. We were required to prepare a report to be used as evidence in support of the core strategy.

## Our approach

The project inception meeting was critical in being brought quickly up to speed with available information and political sensitivities / matters of confidentiality. We then undertook a review of existing documentation (both site specific and relevant Borough / Regional market reports) and enhanced this with additional market and



demographic research, including analysis of historic housing delivery rates. This provided a framework for a series of structured interviews with landowners, developers and local agents. A large amount of data and views were collated which allowed a detailed understanding of the local market sectors on a relatively fine grained scale and site specific aspirations and constraints.

We then undertook a structured matrix based approach to assess the potential market impacts of bringing forward each of the potential Strategic Directions For Growth on existing allocations. We considered market sector, product mix, values, affordability, timing and delivery rates. This allowed a structured assessment of the relative impacts under different market conditions.

We reported on the maximum potential delivery rates that could be anticipated over the plan period from each of the options, their potential impact on existing allocations and limiting and influencing factors to be considered.

## **Outcomes**

Our report has now been published and stands as a piece of core evidence to inform Charnwood Borough Council's Core Strategy.

Clare Clarke, Principal Planning Officer at Charnwood Borough Council, commented: "It has been a very helpful piece of work and I would be happy to provide references in the future to other LAs for similar projects as you have been great to work with."

## Appendix A – References

	Employer Details (including full contact details) e.g Name – Position Address Telephone Number / E-mail	Contract Title	Contract Value (£GBP)	Contract Duration (state the start date and the actual / expected end date)			Brief Description of Contract (please outline what you were / are required to do, and indicate if this was / is provided on a sub-contracting basis or not)	Employee Commitment If the Contract is ongoing, are any of the employees you propose to use to deliver the Requirement involved with these ongoing contracts?	
				Start Date	End Date	Expected End Date		Yes / No	How many?
1.	Nick Dermott - Heritage Manager-Major Developments, Thanet District Council  Cecil St, Margate, Kent CT9 1XZ  01843577142 nick.dermott@thanet.gov.uk	Technology Strategy Board  Design for future climate change-adapting buildings	100,000	10/2011	01/2013		Provided consultancy advice acting as client representative / Employer's Agent to lead a multi-disciplinary team to provide TDC with a strategy for the wider Cliftonville regeneration project and enable a resilient design to emerge coupled with a robust business plan for implementation.	No	
2.	Chris Moore - Senior Development Manager, Homes & Communities Agency  The Observatory Chatham Maritime ME4 4NT	Project Director	n/a	01/1999	04/2007		Directly employed to lead a multi- d property team to identify, promote funding internally/with external bodies and implement a wide variety of mixed use PPP regeneration projects primarily in Kent and Sussex	No	

	01634 899227 <a href="mailto:christopher.moore@hca.qsi.gov.uk">christopher.moore@hca.qsi.gov.uk</a>							in partnership with the LA's/private sector		
3.	Dave Robinson  Dover District Council Council Offices, White Cliffs Business Park, Whitfield, Dover CT16 3PJ  Tel: 01304 872121 Email: <a href="mailto:daverobinson@dover.gov.uk">daverobinson@dover.gov.uk</a>	Planning Manager	Delivery	£100,000+	2005	2014	2020+	Providing financial and commercial advice and development support to the council who are the landowner of a proposed 1,200 home extension to the village of Aylesham – BBP was the main contractor	Yes	One