

Change Control Form

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Author: OIT

Release Status: Trial Release

Publication Summary

The information contained within this document is intended to assist you in the management of a project.

The document comprises of a Project Management Checklist and a set of templates to assist you in carrying out the essential steps to run your project. You will be able to access the documents by the hyperlinks attached to them.

Change Control Form

Programme:	Corporate Improvement Programme
Project Name:	Louth Cattle Market Redevelopment
Change Request Number:	1

General Information *(completed by Project Manager)*

Change Request Submitted By:	Jon Burgess
Date Submitted:	4 th August 2008
Milestone:	Milestones remain as per original business case
Description of Change: <i>(please tick where appropriate)</i>	Add Milestone: <input type="checkbox"/> Delete Milestone: <input type="checkbox"/> Re-plan Milestone: <input type="checkbox"/>
Details:	<p>Business Case has been updated to reflect recent developments in supermarket operator interest in Louth and advice from planning colleagues and consultants in relation to how to market the site. For example, given the lack of planning history/background in favour of retail use on the Cattle Market, ELDC cannot actively promote the site as our preferred location for a new supermarket through a development brief.</p> <p>The revised approach is to market the site via an open tender which would identify alternative uses for the site should sequentially preferable sites for a new foodstore in the town be considered to be both available and deliverable.</p>
Requested Completion Date:	18 th August 2008

Approval for Change *(completed by Project Sponsor/Portfolio Holder)*

Recommendation: <i>(please tick where appropriate)</i>	Approve Change: <input checked="" type="checkbox"/> Reject Change: <input type="checkbox"/>
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Comments:	Amended Business Case attached
Signature:	
Date:	

PLEASE RETURN THIS FORM TO A MEMBER OF THE ORGANISATIONAL IMPROVEMENT TEAM
OR RETURN BY EMAIL TO 'CENTRAL PROJECT OFFICE'

Project Management

CORPORATE

Business Case & Feasibility Document

Filename: Business Case & Feasibility Document v2
Version: 2.0
Issue Date: 31st July 2008
Author: Jon Burgess
Release Status:

Publication Summary

This document is structured to assist you in the initial development of a comprehensive and inclusive Business Case partnered with both scored and open feasibility elements.

The document comprises of a feasibility matrix, financial information, project planning and links to the risk, environmental sustainability, capital bid, procurement, equality and options appraisal processes.

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VERSION CONTROL

ISSUE DATE	DESCRIPTION	VERSION
16 th May 2008	Initial issue	1.0
31 st July 2008	Updated – open tender	2.0

Executive Summary

The purpose of the project is to review options to market and dispose of the Cattle Market site in Louth for a redevelopment scheme that would provide additional benefit for the town and surrounding catchment area. The potential redevelopment site is outlined at Appendix A and measures approximately 2.9 hectares.

The site will be marketed via an open tender to identify a range of potential redevelopment schemes. No preferred use for the site will be identified, although it is likely that a range of retail, leisure and residential uses may be proposed. Advertising the site for redevelopment would not commit ELDC to sell the site if no suitable redevelopment proposals come forward that would benefit the town.

ELDC have also commissioned a separate study to look at the economic and social impact of retaining a livestock market facility in Lincolnshire. This report, to be published in October 2008, will enable ELDC Members to determine whether or not ELDC will offer any financial assistance for the relocation of the Cattle Market if the current site is sold for redevelopment.

The project will directly support the Council's ambition to improve our economic prosperity. It supports the following objectives in the Corporate Strategy:

- Grow business and attract investment

The project also supports the following objectives of the Council's Economic Development Strategy:

- Stimulating competition and business growth

Indicative outputs at this stage include:

£**m private sector investment levered in to CAZ area

3 hectares of brownfield land reclaimed for development

* jobs created/safeguarded

* sqft of new retail floorspace created

(* outputs are dependent on any agreed redevelopment scheme and will be quantified through open tender/post appointment process)

Background

In 2006, East Lindsey District Council commissioned Farrell Bass Pritchard to carry out a retail capacity study for further convenience goods¹ floorspace in Louth. The headline results showed significant leakage of locally generated expenditure. Figures suggest that since 1999 the amount spent on convenience goods in Louth by Louth residents has dropped from 33 per cent to 21 per cent. The remaining 79 per cent is being spent primarily in the Grimsby area. The report suggests that there is sufficient local expenditure capacity to support a new convenience goods superstore with a net sales area of up to 2700 sq m (30,000sq ft) in the period up to 2011. This has subsequently increased with the closure of the Kwik Save store in Louth.

ELDC owns the Cattle Market site. Masons and Willsons currently operate a livestock market on site one day per week. The auctioneers pay ELDC a quarterly rental income based on a percentage of their commission. The existing business is heavily subsidised by ELDC and the full value of the site is not being realised in rental or commercial development terms.

It is considered that the Cattle Market, as a brownfield area of approximately 2.9 ha close to the town centre, is a potentially suitable for a new supermarket development. However there are other potential development sites in the town that could accommodate a new foodstore. As such, Chase & Partners were commissioned in December 2007 to provide an independent sequential analysis of the competing sites. The assessment is necessary to inform subsequent decision-making processes by identifying the site most likely to gain planning permission for the intended use.

Six sites were included in the assessment:

- 1 Cattle Market, Newmarket
- 2 Kiln Lane
- 3 Fisher Seeds and Grain Store, North Holme Road
- 4 Aswell/Queen Street
- 5 Somerfield, Eastgate
- 6 The Malt Kiln, Newbridge Hill

All six sites under consideration have been assessed in accordance with the PPS 6 tests of the sequential approach to site selection and accessibility.

Two sites (Sites 3 and 6) were discounted for their remoteness from the town centre, along with other limitations on their ability to be redeveloped for a foodstore. These sites would not be able to form links with the town centre.

The one genuine town centre site (Site 4) at Queen Street is locationally the best site, but has serious physical limitations. Furthermore, the impact upon traffic congestion in Louth town centre would be considerable and for these reasons, this site is not considered suitable or viable for a large-sized foodstore development.

The edge-of-centre site at Kiln Lane, beyond the existing Co-op store is a better location than the Cattle Market for forming links with the town centre, but

¹ Convenience goods are defined as widely distributed and relatively inexpensive goods which are purchased frequently and with minimum of effort, such as petrol, newspapers and most grocery items

limitations on the road network in this area make this site's viability questionable, and again, the traffic load on access roads would be too great.

The site of the existing Somerfield store, together with the car park and adjacent bus depot could, if assembled into one site from the various ownerships, provide a site that could deliver a major foodstore that would form strong links to the town centre. This site passes the tests of suitability, viability and accessibility, but crucially not availability given the significant site assembly costs and issues which would prevent any owner securing the site required on commercially viable terms.

Chase & Partners therefore concluded that the Cattle Market represents the only site in Louth that is feasible for foodstore development. It is a large, level site served by good access roads and is in one ownership making site assembly unnecessary. Although there are currently no strong links with the town centre, the site is not physically distant (under five minutes walk) and the route is direct. How a new foodstore supports the town centre would depend upon the design and layout of the scheme. For example, if the car park were to be positioned at the northern edge of the site (i.e. the site of the existing car park) there would be a high likelihood of the store forming links with the town centre as the car park would serve the town centre as well as the foodstore, thereby encouraging linked trips.

Redevelopment of the Cattle Market site for foodstore development would therefore comply with the tests of policy and therefore should be considered the most sequentially preferable site in Louth to provide a store of 30,000sq ft.

However, it is acknowledged that alternative sites in Louth could be developed to provide a proportion of the total capacity for new convenience goods floorspace in the town across a number of smaller sites. Those sites that are closer to the existing town centre are likely to be considered sequentially preferable to the Cattle Market in planning policy terms. Therefore other redevelopment uses for the site should also be considered and invited through an open tender.

Options available

1. Do nothing

It is clear that the current Cattle Market site is under utilised in asset management terms. Doing nothing would result in the continued subsidy by ELDC of the current livestock auction facility by ELDC (estimated at £10K per annum), whereas the site could provide a substantial capital receipt if sold on freehold basis.

Initial discussions with the current auctioneers have also indicated that the future operation of the existing cattle market facility is uncertain beyond the next 5-10 years. As such, it is likely that the Council will be left with a redundant site in the medium term.

In addition, should ELDC fail to seize the initiative in terms of proactively marketing the Cattle Market as a potential redevelopment site, it is likely that other sites may come forward for consideration which could jeopardise the opportunity for the Council to facilitate a redevelopment scheme on site that would maximise benefits for the town and surrounding catchment area.

2. Promote alternative sites for foodstore development in Louth

If the Cattle Market site were not brought forward for disposal and redevelopment for a new foodstore, the requirement to increase convenience goods floorspace by up to 30,000sq ft in the town would remain a strategic priority for Louth to deliver enhanced retail choice for all consumers and attract additional people to the town.

There is no requirement to provide 30,000sq ft of additional convenience goods floorspace in one location. As such, alternative sites in Louth could be developed to provide some or all of the additional floorspace capacity across a number of smaller sites. If deliverable, those sites that are closer to the existing town centre are likely to be considered sequentially preferable to the Cattle Market in planning policy terms and could provide closer links with the town centre and existing businesses. This may delay or ultimately hinder the ability of any operator securing planning permission for a new foodstore on the Cattle Market site.

ELDC's planning department are already at an advanced stage of pre-application advice with an operator/developer regarding a new foodstore off Queen Street (believed to provide in the region of 8-10,000sq ft). Other sites within the town centre boundary could also be redeveloped to provide some of the additional floorspace required. As such, there may be limited operator interest in providing a new foodstore on the Cattle Market where the sustainable capacity in planning policy terms is reduced below 30,000sq ft.

The Council's influence on any new development would be reduced where it does not own the freehold interest of the site. As part of any planning application for a new foodstore in the town, careful consideration will be given to the effects on local businesses and traffic. Any negative impact of the proposed developments would still be controlled through Section106 agreements.

3. Redevelop the Cattle Market site for alternative uses

As a large brownfield site close to the existing town centre, the Cattle Market site could also be redeveloped for a number of other uses to provide additional benefit to the town, e.g. residential or comparison goods. In this instance, the site would be advertised through an open tender to identify alternative uses/design proposals for the site.

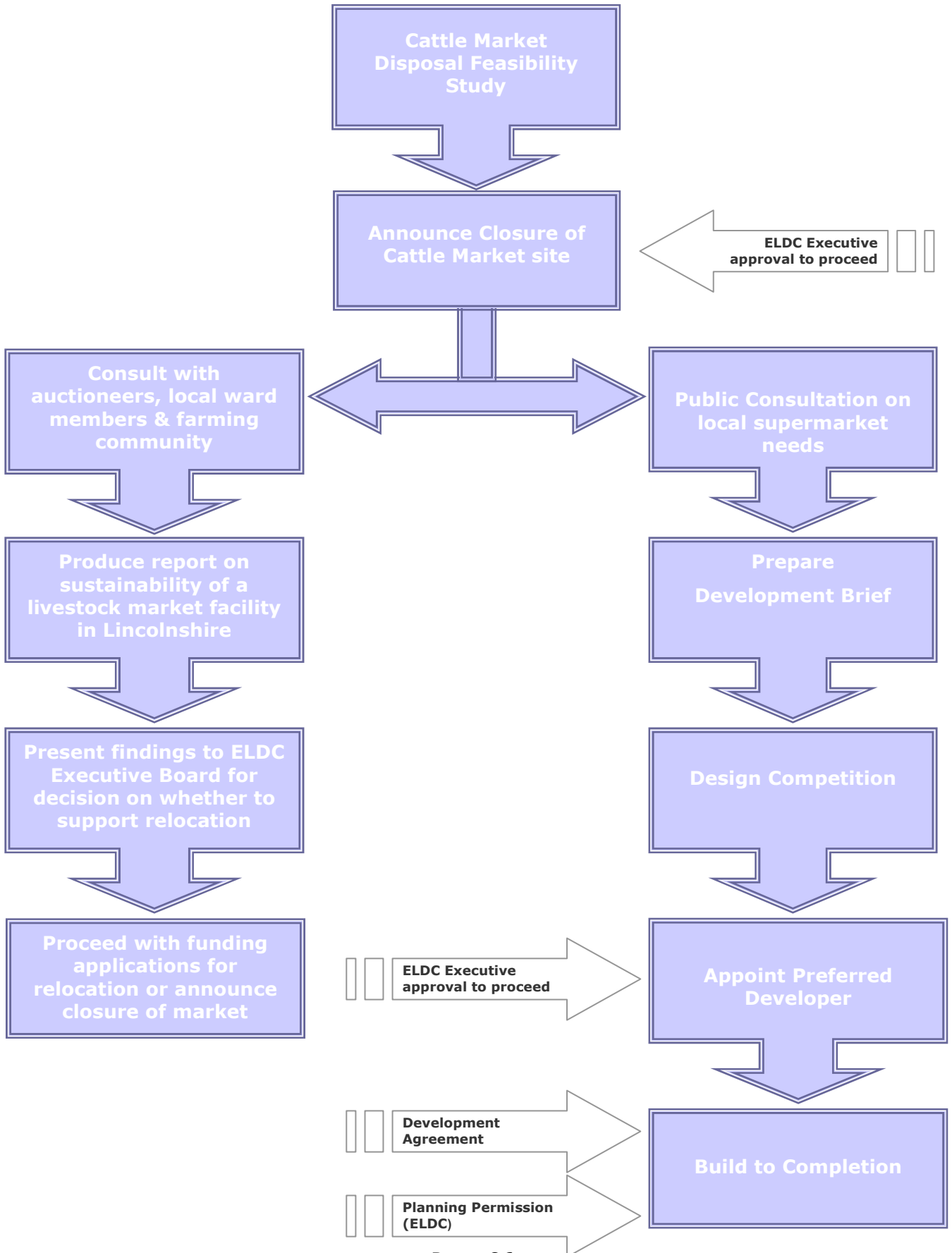
However, no studies have yet been conducted into the demand for increased comparison goods floorspace in Louth. In addition, Louth currently has adequate sites allocated to accommodate for future housing growth. Advertising the Cattle Market for redevelopment would not commit the Council to dispose of the site if no preferred scheme was identified that could provide additional benefit for the town.

It is likely however that the capital receipt received by ELDC would be lower for alternative uses. As such the ability of the Council to use the proceeds from the freehold disposal of the site to invest in future priority projects would be diminished.

Given the lack of planning history/background in relation to the site, any redevelopment of the site may also be subject to call-in by Government Office for the East Midlands.

Proposal

Provided below is a diagram of the key stages associated with the project and the information that will be fed into the process. This identifies that ELDC Executive approval will be required to proceed with the design competition and to appoint the preferred developer. In addition, consultation with key stakeholders will inform the development of the project at key stages.



Feasibility

Criteria	Score 1	Score 2	Score 3	Score 4
Forecast Cost £	<10,000	10,000 – 50,000	50,000 – 250,000	>250,000
				✓
Timescale in months	<6	6 – 12	12 – 18	>18
				✓
Strategic Targets	No dependency	Contributing to other work that is linked	Direct contribution to a strategic target	Direct contribution to more than one strategic target
				✓
Impact on organisation	None or very minimal	Some new business processes and possibly some re-training	Significant re-structure of processes and work areas	Transfer of staff or outsourcing
	✓			
Political Impact	Minor	Ward Interest	Council Interest	Regional/ National Interest
			✓	
External policy or legalisation	No link	Some links to other work that is delivering policy or legalisation	Direct links to policy or legalisation	Fundamental to achievement of policy or legalisation
			✓	
Stakeholders	Internal and within single business area	Internal across more than one business area	Mainly external	Internal and external
				✓
Contract complexity	No contracts required	Single contract with known supplier	Multiple contracts with known supplier	Contract(s) with new suppliers(s)
				✓
Track record	Have done this before many times	Have done this before once or twice	Have done similar before, but not the same	Have not done anything like this before
			✓	

⇒ Level 1 project = score between 8 and 15

⇒ Level 2 project = score between 16 and 24, and;

⇒ **Level 3 projects = score over 24 (project score: 30).**

Environmental sustainability

What is the environmental impact of this project?

- | | | | |
|--------------------------|--------|-------------------------------------|------|
| <input type="checkbox"/> | None | <input checked="" type="checkbox"/> | Low |
| <input type="checkbox"/> | Medium | <input type="checkbox"/> | High |

Summary: As a straightforward asset disposal, the impact of the initial project is considered to be relatively low.

The impact of the final scheme will depend upon the nature of the appointed development partner and preferred regeneration scheme. A detailed environmental impact study will be completed as part of the subsequent planning application.

Full impact assessment required? No

Project Management

A project management structure is provided at Appendix B. The Policy and Project Manager within the Economic Development team will be assigned as Project Manager by the Business Manager (Property & Regeneration) who will be responsible for ensuring that all deliverables and milestones for the service are met. The Project Manager acts as a single point of contact for the organisation, and brings together the Council departments and external suppliers to deliver the project.

The project will be managed to East Lindsey District Council Project Management methodology and included in the Corporate Improvement Programme. The project manager will be responsible for producing full documentation, including project plans and reports.

Project Life Span

It is hoped that the process of selecting a preferred development scheme for the site could be concluded by March 2009, following a period of detailed stakeholder and public consultation. The length of the post appointment process will be dependent upon the appointed developer securing the required operator and obtaining the necessary planning approvals. However an 18-month period from developer appointment to practical completion should be regarded as realistic to enable the developer to secure the necessary planning consent and undertake additional detailed consultation with the local community.

Roadmap

1. Cattle Market Feasibility Study	End Jan 2008
Competitive procurement/tender process	
Inception meeting with successful consultant	
Site visits & assessment	
Accumulation of data (including land registry searches)	
Enquires within the food superstore property market	
Sequential analysis of sites	
Provide hierarchy of sites in terms of the sequential approach that will enable ELDC to make an informed decision regarding redevelopment of the Cattle market site	
Consult with current auctioneers to determine current use of site and establish precise requirements for suitable alternative accommodation	
Provide initial development appraisal of potential relocation costs for new build facility	
Interim report on preliminary findings	
Appraise & report on potential development sites	
Report on draft findings & recommendations	
Report production and final presentation	
Report findings to ELDC Executive	
2. Development Brief	End Oct 2008
Obtain ELDC Executive approval to proceed with design competition	
Meet with District Council Ward Members and farming community representatives	
Meet with Chase and Partners	
Prepare & finalise OJEU notice	
Liaise with local residents to determine requirements for a new supermarket store	
Prepare ideas/liaise with Chase and Partners/Legal Services	
Draft development brief	
Undertake wider public consultation on development brief	
Discuss & write amendments	
Finalise development brief	
Produce report on sustainability of livestock market facility in Lincolnshire	
3. Run Design Competition	End Jan 2009
Prepare printed version of development brief	
Draw up mailshot list of developers	
Send out mailshot/Estates Gazette Advert.	
OJEU advert	
Respond to advertisement and other enquiries	
Meet interested parties if necessary	
Registration of interest deadline	
Analyse & prepare shortlist of developers	
Meet with Chase and Partners and finalise shortlist of developers	
4. Post Bid Stage / Preferred Developer Appointed	End Mar 2009
Detailed analysis (including answers to queries) of bids submitted	
Submit report with recommendations and meet ELDC on bids submitted	
Run interviews/presentations	
Undertake public and stakeholder consultation	
Meet Chase and Partners & finalise choice of preferred developer	
Obtain Executive Board approval	
5. Post Appointment Stage / Build to Completion	End Mar 2011
Design Meetings	
Planning Meetings	
Secure planning permission	
Legal Meetings	
Finalise Development Agreement	
Council Meetings	
Commence on site build	

Costs & Benefits

Capital Funding:				
	2007/8	2008/9	2009/10	TOTAL
	£	£	£	£
ELDC funding				
External funding 1				
External funding 2				
Total cost of the scheme				

Please highlight any conditions attached to the external funding:

No capital funding is deemed necessary to market the site for redevelopment. Costs will be incurred by the prospective development partners in developing their proposals for submission and by the appointed development partner in securing the pre-lets and developing out the site.

The Council will receive a capital receipt from the preferred developer in exchange for the granting of the freehold disposal of the agreed development site. It is anticipated that a substantial premium could be forthcoming to the Council but this will ultimately depend upon the nature and extent of the approved development (including Section 106 agreements) and submissions received from the prospective developers as part of the open tender.

The capital receipt will be determined by negotiation with the preferred developer and franked by an Independent Surveyor appointed by the Council.

Ongoing Revenue Costs:

	2007/8	2008/9	2009/10	TOTAL
	£	£	£	£
Expenditure/loss of income		20,000		20,000
Revenue savings (negative values)				
ELDC Income (negative values)				
Total revenue costs		20,000		20,000

Please provide a brief description of the nature of the revenue costs, savings, income and third party contributions:

Costs for the initial feasibility work are estimated at £20,000 and can be contained within Economic Development budgets under ledger code 8421/40375.

Future reports will be submitted to the Council's Executive Board to update Members on progress and consider any further financial implications arising out of this work. The project is contained within the Economic Development Service Plan and as such sufficient staff resources should be available to manage the project within existing resources.

Benefits

The project will lead to the regeneration of up to 3 hectares of brownfield land close to the town centre boundary in Louth. As well as generating a capital receipt for the Council to invest in future priority schemes, the project will provide improved facilities for local residents and visitors to Louth.

As part of the planning approval process, it may also be possible through Section 106 agreements for the appointed development partner to deliver additional enhancements to the existing town centre to protect the viability and vitality of the Louth economy (examples could include public realm improvements or the funding of a town centre manager post).

Assumptions And Responsibilities

Project Team

The District Council is the freeholder of the site. The project team (see appendix B) will be responsible for supporting the delivery of each stage of the project in accordance with the approved methodology and Executive Board approval. The Council is acutely aware that there is much interest in the site from the perspective of local businesses and the community. With this in mind the project manager will also ensure that extensive public and stakeholder consultation is undertaken prior to any decisions being made and the views of all parties will be taken into consideration as the plans for regeneration evolve.

Stakeholders

Stakeholders will include the local business community, ward members, the current cattle market auctioneers and local farming sector representatives.

It is the responsibility of the stakeholders to provide a clear understanding of the needs and aspirations of the people and businesses of Louth and to ensure proper representation of interests from across the community when considering the potential impact of a major new development in the town.

Assumptions

It is assumed that the appointed development partner will undertake additional public consultation in relation to their proposed scheme to ensure that our key stakeholders remain engaged throughout the lifetime of the project.

RISK

The risk for the Council will be managed through a detailed development framework to identify the most appropriate redevelopment scheme based on extensive public consultation and stakeholder engagement. A register of the most likely risks is attached at Appendix C.

Responsibility for delivering the agreed development scheme for the site will rest with the appointed development partner. This will include acquiring the relevant land interests, gaining planning permission and paying the legal and surveyors costs incurred in relation to the development for the Council. Detailed site investigation, environmental, flood risk and traffic impact assessments will all be required to ensure that the agreed development plan will not have an adverse environmental impact.

Project Acceptance

This Business case becomes a project once accepted by authorised signatories

Name	Service Area	Position	Date
Jon Burgess	Economic Development	Project Manager	[xx/xx/xx]
Gary Sargeant	Business Manager (Property & Regeneration)	Project Sponsor	[xx/xx/xx]

APPENDICES

Appendix A: Cattle Market site plan

Appendix B: Internal project team

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