

**West Berkshire Council – Invitation to  
Potential Partners**

**London Road Industrial Estate, Newbury  
Development Prospectus and Opportunity  
Document**

**November 2012**

## The Opportunity

- 1.0 West Berkshire Council is seeking to appoint a potential development partner to help transform the London Road Industrial Estate in Newbury, the freehold of which is owned by the Council. This is a major opportunity for an experienced developer to be part of an exciting mixed use regeneration scheme for a 25 acre site on the edge of Newbury Town Centre, helping the Council to turn an out-dated industrial estate into a vibrant and highly accessible focus for new business, retail, residential and other uses. The Council's main aspirations relate not only to the regeneration and planning objectives, but also to improving both its property income and future capital receipts from the wider area. This preliminary brochure sets out the initial information relating to the submission of initial responses and outlines the next steps and the timescales which are likely to be applied to this developer selection process.
- 2.0 Newbury is one of the most significant commercial centres in the M4 corridor. It is also on the A34 and on the main railway line from London to the South West. With a core population of around 55,000, this attractive market town hosts the headquarters of companies such as Vodafone and Bayer.
- 3.0 The Council has published the Newbury 2025 Vision, which sets out the future aspirations for the town, identifying a number of site specific opportunities for improving accessibility, protecting and enhancing townscape and promoting greater vitality in the town centre – achieving this in part through new development projects such as the transformation of the London Road Industrial Estate. West Berkshire Council owns the freehold of the industrial estate and has endorsed a vision to drive forward substantial change in this area, following the completion of a Strategic Feasibility Study undertaken in 2011 by Strutt & Parker, working in conjunction with Broadway Malyan.
- 4.0 Since the Newbury 2025 Vision document was first devised around 9 years ago, the Council has put in place a NPPF compliant core strategy, which was adopted in July 2012. Other significant progress has been made, with several of the main initiatives either now implemented or progressing well. The Council's vision for securing improvements across the entire town centre has been particularly successful through the implementation of the Newbury Parkway Development (which has brought new John Lewis and Debenhams stores to the town as well as an extension to Marks and Spencer, and much more). Other key site initiatives nearby, such as those at The Wharf and at Newbury Racecourse, are also contributing to this process of renewal.
- 5.0 At a meeting of the Council's Executive on the 6<sup>th</sup> September 2012, a new mix range of uses for the London Road Industrial Estate was endorsed in principle by the Council. The detail of the mixed use concept for this 25 acre site is likely to evolve over the next 5-10 years, although the Council – both as landowner and as local planning authority – recognises that a mix of new homes, a supermarket and a range of substantial new business accommodation and other uses may potentially be included in the medium term. The Council expects that some existing businesses in the area will be retained – especially the motor trade and other uses along London Road. The pattern of existing leasehold interests and other factors means that new development is likely to comprise a series of phased projects built out across the

25 acres over a 10 year period or longer. These projects will be able to progress once the context for comprehensive improvement has been agreed with a chosen development partner and once planning support for the preferred mix and scale of uses has been established.

6.0 The purpose of this “opportunity document” is therefore to set the context for a future land sale via this ‘soft market testing’ exercise, through which a number of prospective developers are being invited to consider how the London Road Industrial Estate might best be regenerated. The Council is seeking preliminary ideas and comments on the most appropriate approach to developing the site. The first phase of development is expected to include the creation of enabling work such as major new access arrangements off the A339, which will need to be built in conjunction with the first phase of commercial or other development. The details of the new access arrangements are yet to be fixed, in terms of the precise location and design requirements for the road.

7.0 The Council recognises that the process for securing the project may be fairly lengthy, but it is aiming to agree a phased development programme for the entire 25 acre area, extending over a number of years. The extended timescale will partly be a result of the need for the Council and its chosen development partner to work together to relocate a number of the existing major occupiers such as Newbury Football Club. It should also be borne in mind that the Council has a realistic perception of what may be readily achievable and deliverable, particularly as there are currently around 20 separate ground leases in place. It therefore believes that it will be necessary for a developer to devise and deliver a series of projects on a commercially viable basis.

### **Strategic Feasibility Study 2011**

8.0 At the end of 2011, Strutt & Parker and Broadway Malyan presented the Strategic Feasibility Study to West Berkshire Council. This comprised an analysis of the urban design principles and master planning issues which would be relevant in taking forward the comprehensive redevelopment of the LRIE area, together with advice on the development strategy which would be potentially required in promoting the site for redevelopment. This advice has therefore been taken into account in deciding to promote this site by way of an “opportunity document”.

9.0 Following the conclusion of the Strategic Feasibility Study, the Council concluded that it would need to take a number of positive steps to ensure that the project had the best prospects of being deliverable. The Council has already started discussions with some of the principal occupiers (such as the Football Club) as well as initiating discussions with representatives of some of the other owners of leasehold interests. Ultimately the Council will look to its appointed development partner to take the principal responsibility for land assembly, although it may, at the appropriate time, also be willing to help deliver a comprehensive project by using its compulsory purchase powers. This will give greater certainty that the most appropriate development solution can be put in place.

## **The London Road Industrial Estate Site**

- 10.0 The Council has not sought to stipulate the precise boundaries of either the first phase of the proposed development or of the entire site, to encourage developers to show imaginative solutions and flexibility when devising appropriate proposals for the Council to consider. The site plan included within this document indicates the wider area which was used for the recent Strategic Feasibility Study; it does not imply that the Council expects all (or even the majority) of the existing properties within this area to be redeveloped.
- 11.0 The LRIE lies to the east of the town centre abutting the A339 to its western edge and the A4 to the north. It is prominently located when approaching the town centre from the M4 and the north. The southern boundary is the Kennet & Avon canal, which is the focus for water activity in the town and provides a key leisure route through Berkshire. The site is around quarter of a mile from Northbrook Street, the main shopping area in the town. To the east lies a mix of houses and retail units extending along the A4. To the west across the A339 the site overlooks Victoria Park, beyond which the town's new Parkway retail development has recently been completed.
- 12.0 The LRIE is only a few minutes walk from Newbury town centre but it also marks the transition from the industrial/commercial to the south, across the canal, to residential to the north, across the A4 (London Road). Newbury town centre to the west is characterised by its close knit urban grain and continuous mixed use frontage; and Newbury Business Park to the east is characterised by its business park campus layout featuring individual buildings served by on plot parking. The LRIE uniquely benefits from a waterside parkland setting around the southern part of the site but has a more built up setting to the north.
- 13.0 Overall, the LRIE is suitable in terms of area and its location to create a sustainable mixed use development. This is likely to require a balance in the main land uses and among the options considered within the SFS are:
- Commercial Office
  - Retail
  - Leisure and Amenity
  - Community
  - Industrial
  - Residential/Health Care
  - Hotel
- 14.0 Although some of the above uses are included on the site at the present time as a result of ad hoc development, they have developed with little regard to adjoining uses or the logic of a homogenous estate. It is important for prospective development partners to show how any proposed layout can be implemented over time and how any transition can take into account any possible change in circumstances. Proposals will need to allow for as much flexibility as possible.

## **Constraints & Opportunities**

15.0 The constraints and opportunities affecting the potential redevelopment of the LRIE include the site boundaries, the existing services and roads, the nature of the A4 and A339 frontages, together with potential connections to the canal side area and the town centre. Other opportunities which exist include the scope to create a new central focus within the development as well as the need to consider how flexible development options might be progressed. An indicative (not adopted) masterplan was devised so as to identify plots which could suit more than one use, so that the mix can evolve as circumstances change over time. The detail of this work remains confidential to the Council but a diagram showing the principal constraints and opportunities is included within this 'opportunity document'.

## **Detailed Outputs of the Strategic Feasibility Study (SFS)**

16.0 The more detailed analysis of alternative land use options, together with advice on the potential mix, density and scale of alternative uses has been set out in full in the main SFS documents, which remain confidential to the Council as landowner. However, testing of design principles and plot tests within the main Strategic Feasibility Study have demonstrated that there is significant scope to increase the London Road Industrial Estate's status and capacity as a major employment zone within Newbury. A mixed use spatial framework was devised, comprising a series of overlapping zones, guided in part by the existing road infrastructure and land ownership. This approach will ultimately enable a full range of future planning objectives to be met including the opportunity for place making and the creation of a vibrant and sustainable mixed use quarter. Potentially the opportunity also includes employment generating land uses which will relate well to existing and future complementary ancillary land uses and residential development.

17.0 The SFS masterplan produced by Broadway Malyan has a zoning structure which features:

- Commercial workplace uses along the prominent A339 frontage overlooking Victoria Park.
- Commercial/retail mixed uses including an hotel between the A339 and Faraday Road and the A4 and the Robin Hood roundabout intersection.
- Motor trade and quasi industrial use on the parcel of land enclosed by the A4, Faraday Road and Ampere Road.
- Residential uses including apartments, private care home and/or extra care and town houses along the southern edge of the site close to the Kennet & Avon waterside environment.
- The four urban neighbourhoods described above could also supported by a community hub which may include crèche and health care facilities.

- Vehicular access points from the A4 would need to be improved and a new main access from the A339 would need to be created mid-way along the western edge of the site.

N.B: The recently adopted Core Strategy contains a number of important policies which are relevant to this project, including: ADPP2 (Newbury); CS4 (Housing Type and Mix); CS5; CS6; CS9; CS11; CS13; CS14; CS15 and CS16.

18.0 A number of alternative development options were tested in the SFS. At this stage the SFS is not recommending or promoting a particular mix or scale of development across the entire LRIE area. Some existing businesses will potentially be retained and be encouraged to expand by the wider improvements planned through this comprehensive strategy. The phasing of development is also not yet fixed at this stage. As a broad guide however in around 10 – 15 years time, the following range of additional or replacement accommodation could potentially be located within what is currently the LRIE:

- A food retail store not exceeding 50,000 sq ft gross (say 4,500 sq m).
- An hotel, potentially above the foodstore, with around 80 – 100 rooms and with limited additional restaurant/food and beverage uses.
- New offices totalling up to 150,000 sq ft (say 13,000 sq m), built out over a number of phases.
- Healthcare and community facilities of around 15,000 sq ft (say 1,350 sq m).
- Extra care or care home facilities, possibly with up to 50 bedrooms.
- Motor trade uses, largely retaining and enhancing the existing concentration of major car dealerships between London Road and Ampere Road, plus
- A mix of apartments and houses or other residential accommodation.

19.0 The analysis in the main SFS has shown the Council that it is more likely the LRIE site will be redeveloped in phases but within the context of a comprehensive strategy. This is not least because of the number of relocations which will be required and the issues associated with finding alternative sites for some of the existing users within the area. This SFS therefore provides the 'route map' which is being used by the Council to guide the next stage of the process. This 'opportunity document' has therefore been produced as the basis for the Council to invite a selected number of experienced developers to submit proposals and to demonstrate how to take forward the wider treatment of most or all of the relevant parts of the LRIE area.

20.0 A key aspect for the Council to consider, is the minimum amount of development (in terms of mix and scale of uses) which must form part of any first phase project within the wider LRIE area. Comments and preliminary views from developers on the likely viability and deliverability of early phases of development would be welcome. However, it is likely that a single developer will be required to work with the Council to bring forward a phased scheme for a project which includes as a minimum development both to the north and south of the new A339/Fleming Road junction but within an agreed comprehensive framework for a much wider part of the LRIE area.

### **Selection Process/Timetable**

21.0 This “opportunity document” is seen by the Council as the start of the process of securing a land sale, or series of property transactions. It is being issued so as to help the Council to refine the detail of the precise procurement route which will subsequently be adopted for the final phase of selection. The provisional timetable for the Council’s selection process is as follows:

- Late January 2013 – Advertisements in Property Press and distribution of opportunity document.
- 18<sup>th</sup> March 2013 – Closing date for registration of interest, plus submission of developers initial supporting material.
- April 2013 – Council decisions on short listing and procurement options.
- June 2013 onwards – Decisions by Council Executive to proceed with LRIE project, followed by Interviews/Reviews/workshop briefings (as necessary) including clarification of issues raised by short listed developers.

N.B: Subsequent stages of the selection process will be confirmed to short listed developers, depending on the responses received to this initial document and other external market factors.

### **Preliminary Submission**

22.0 Interested parties are invited to register their interest by noon on Friday 18<sup>th</sup> March 2013 by providing a preliminary response, containing the following information, to Strutt & Parker.

- Details of the principal development company and any proposed joint development partners, if applicable, together with annual reports for the last 3 years or details where these may be found online.
- Details of the applicants development track record, setting out information about comparable projects undertaken – especially those with mixed use of a similar nature to the London Road Industrial Estate. For these examples of previous experience details are to be supplied of the current status of the projects and the development programme and scheme outputs expected from these schemes during the next 5 years.

- Details of the key personnel who may be expected to lead the project, their qualifications and experience of comparable projects.
- Although initial sketch designs are not required, the Council would find it helpful to understand how the developers can show that they have understood both the wider regeneration and financial objectives of the Council for the LRIE as well as its aspirations for a realistic and deliverable early phase of development. The Council is seeking to understand the developers general approach and its expertise – it is not seeking detailed designs or financial appraisals at this initial stage.
- Commentary on any other relevant issues raised by this opportunity document.

### **Tenure – Basis of Disposal and Other Key Property Issues**

- 23.0 The selected developer is likely to be required to enter into a development agreement with the Council. Following initial discussions with those companies which are provided with the opportunity document, the Council will provide further information about its financial and estates requirements to short listed companies. Whilst the Council is promoting this opportunity in order to secure the modernisation of the employment facilities on the London Road Industrial Estate, in accordance with the vision for change in Newbury over the next 15 years, the Council also has important financial and property requirements which will need to be taken into account before agreeing to a particular proposal. This means that the Council requires its financial return (in terms of future rental income) to be enhanced on completion of the comprehensive development project. Details of the Council's existing property income, as well as other information concerning the property ownerships within the redevelopment area, will be supplied to short listed companies.
- 24.0 As a broad guide however, the Council's aspiration is to agree a solution which will help to put in place a secure income stream from a new range of uses across the LRIE. The Council hopes that the project will potentially generate both medium term income growth as well as some capital receipts. The Council's current ground rental income from the entire LRIE estate is over £300,000 p.a. and its aim is therefore to see how growth above this level can best be delivered via a mixed use regeneration project – one which can also be shown to be consistent with the recently adopted Core Strategy and other emerging planning policy advice.

### **OJEU Regulations and Disposal Assumptions for Land Sale**

- 25.0 For the avoidance of doubt, this document is seen as a precursor to the Council disposing of its land interest under a land transaction. This is because the Council is proceeding on a basis which is outside of the scope of the EU procurement directive (OJEU regulations). The envisaged development agreement will not provide for any works and/or services commissioned by the Council and thus the agreement is not intended to comprise a public works or works concession contract in any way.
- 26.0 The envisaged development agreement is expected to proceed on the basis of a long lease for each phase of development, with the Council looking to secure primarily a geared annual



ground rent from some areas, as well as capital payment in respect of the disposal of interests in other areas.

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# Appendix

