

COLCHESTER MASTERPLAN DELIVERY OUTLINE

FINAL
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INTRODUCTION

PRD has prepared this delivery outline to highlight partnership opportunities and next steps for Colchester City Council (CCC) and Essex County Council (ECC) to deliver the Colchester City Centre Masterplan. This document should be read alongside the separate masterplan document. Given the long-term outlook of the masterplan, this delivery outline should be reviewed regularly by core stakeholders, namely CCC and ECC, to check progress and adjust actions as circumstances change (e.g. funding opportunities, anticipated financing arrangements, additional partnerships).

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PART 1: MASTERPLAN DELIVERY OVERVIEW

THE ROLE OF LEVELLING UP FUNDING

In 2022, Colchester City Council applied for and received £19,663,063 as part of its Levelling Up Fund (LUF) bid for the St Botolph's area, with the expectation that the council would be able to attract an additional £41.8m from the private sector and other public sources. There is already a S106 contribution of £2.5m for highway improvements in this area.

PRIORITY RESEARCH REQUIREMENTS

Parking consolidation approach

CCC's existing parking studies and strategy suggest that there is surplus parking around the city centre and that some parking sites can be redeveloped. For development proposed in the masterplan to proceed in an informed manner, particularly for sites 2, 3, 4, and 5, additional information on how car parking can be effectively consolidated would be very helpful (e.g. clarity on how supply/demand varies across different sites; clarity on the number of spaces that can be removed in any given area and how much parking each remaining car park is likely to absorb).

CCC may need to develop a business case for removing parking where this will involve costs and/or cause a significant reduction in council revenue.

The council will also need to communicate its justifications for removing car parking and its intentions to improve remaining car parks very clearly to the public to manage relationships and expectations.

Planning benefit & developer contributions study

CCC does not currently seek contributions for public realm improvements via Section 106 and does not have an SPD to support this, nor is there an adopted Community Infrastructure Levy tariff. Highway works are generally secured via Section 38/278 agreements with ECC Highways.

Extracting benefits through S106 can be a challenge in Colchester City Centre because the need for archaeological evaluation and high-quality, heritage-sensitive construction already pushes development towards the limits of viability.

However, there is potential to seek voluntary contributions from developers where they will demonstrably benefit from some of the proposed works. An example of this would be at-grade pedestrian crossings along Southway, which would potentially provide greater connectivity between the city centre and the Garrison site.

Furthermore, with several developable sites in complete or partial public ownership, there is an opportunity for the public sector to retain ownership and benefit from a share of development profit and future revenue streams from new development and ongoing uses.

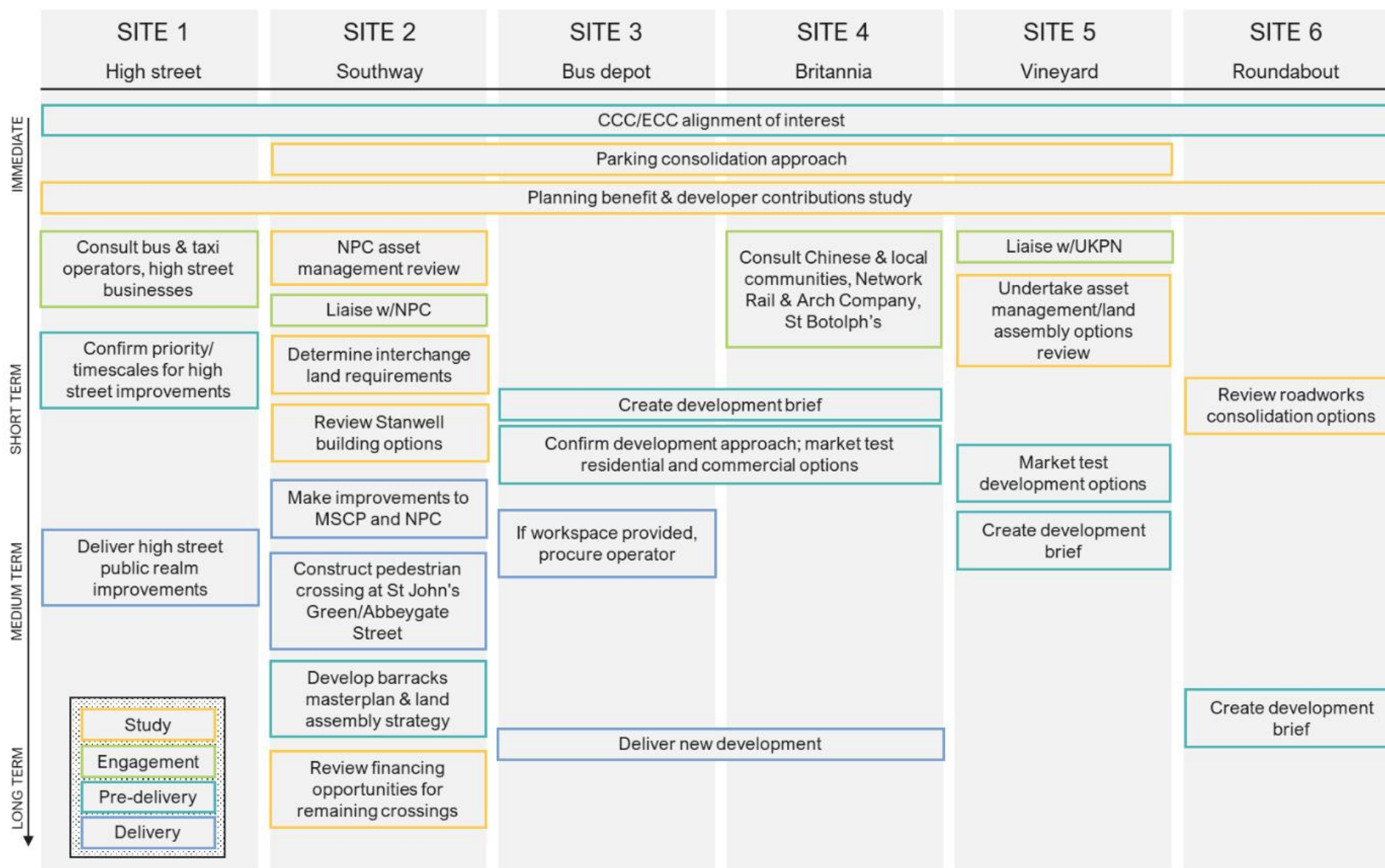
The council(s) should direct a short study to set out how sites with immediate or future development potential can make use of Section 38/278, voluntary contributions, and land value capture. This would inform negotiations and conversations with developers while recognising that any specific contribution will be subject to the normal application specific planning tests.

MASTERPLAN SITES



1. High street
2. Southway
3. Former bus depot
4. Britannia Yard
5. Vineyard Gate
6. St Botolph's roundabout

ACTIONS REQUIRED FOR DELIVERY



PART 2: DELIVERY STRUCTURES

LANDOWNER ALIGNMENTS

Colchester City Council (CCC) and Essex County Council (ECC) own a large majority of the land within the masterplan's key development sites. We understand from discussions with CCC and ECC that there is a clear alignment of interest and support for delivering the masterplan recommendations and next steps. The alignment of interest could be broadly summarised as:

- Alignment of policy and objectives regarding supporting the success of Colchester
- Alignment on delivering against the masterplan principles
- A wish to see development come forward, as identified in the masterplan, with an ongoing level of public sector control and curation to maximise local impact
- Both parties are willing to work together and with others, including other public bodies and third-party investors, developers, and operators to deliver successful projects
- A willingness to look at joint venture structures and delivery vehicles to not only deliver development but also to hold surpluses, alongside other investment streams, which can fund other priorities, initiatives and activations in the city, including those identified within the masterplan and elsewhere (for example public realm creation, highways improvements).

Establishing a more formalised working relationship for partnered working between CCC and ECC would provide a platform to focus resource, activities and investment to move the development sites forward and stimulate wider activity.

PARTNERSHIP CONSIDERATIONS

There are many different forms of structure available with varying degrees of formality and informality attached to each approach. Generally speaking, incorporated structures (e.g. limited companies or LLP type structure) would be more costly to establish and operate, whilst more contractual structures (e.g. Development Agreements or Land Pooling Agreements) would be quicker to establish and more project focussed.

CCC and ECC should therefore spend some time testing the most appropriate structures. There are a number of aspects to consider, such as:

- Setting out and testing the aims and objectives of a partnership model
- Considering the contributions each party will make to the partnership in areas such as land, working capital, and resourcing both for day-to-day activities and project development
- The role of third-party developers, investors and operators and the anticipated extent of reliance on such parties to deliver the aims and objectives
- Approach to retention and distribution of land value and development profit, including to what extent this can be ringfenced within the development or recycled to pay for other identified masterplan initiatives through a shared infrastructure fund
- Considering approaches to partnership and project governance, including dedicated resources, oversight, and levels of member and officer representation

Designing and establishing the most appropriate structure will take time. CCC and ECC should consider quickly entering into a Memorandum of Understanding (MoU) which sets out terms of reference for partnership working and a headline working summary of the aims and objectives. This will allow work on the sites and programme of activities to commence in parallel with the development of a fixed partnership structure to support a swifter transition into delivery mode.

Below is an indicative structure for a high-level partnership structure for further development. Key elements of the framework to be developed are:

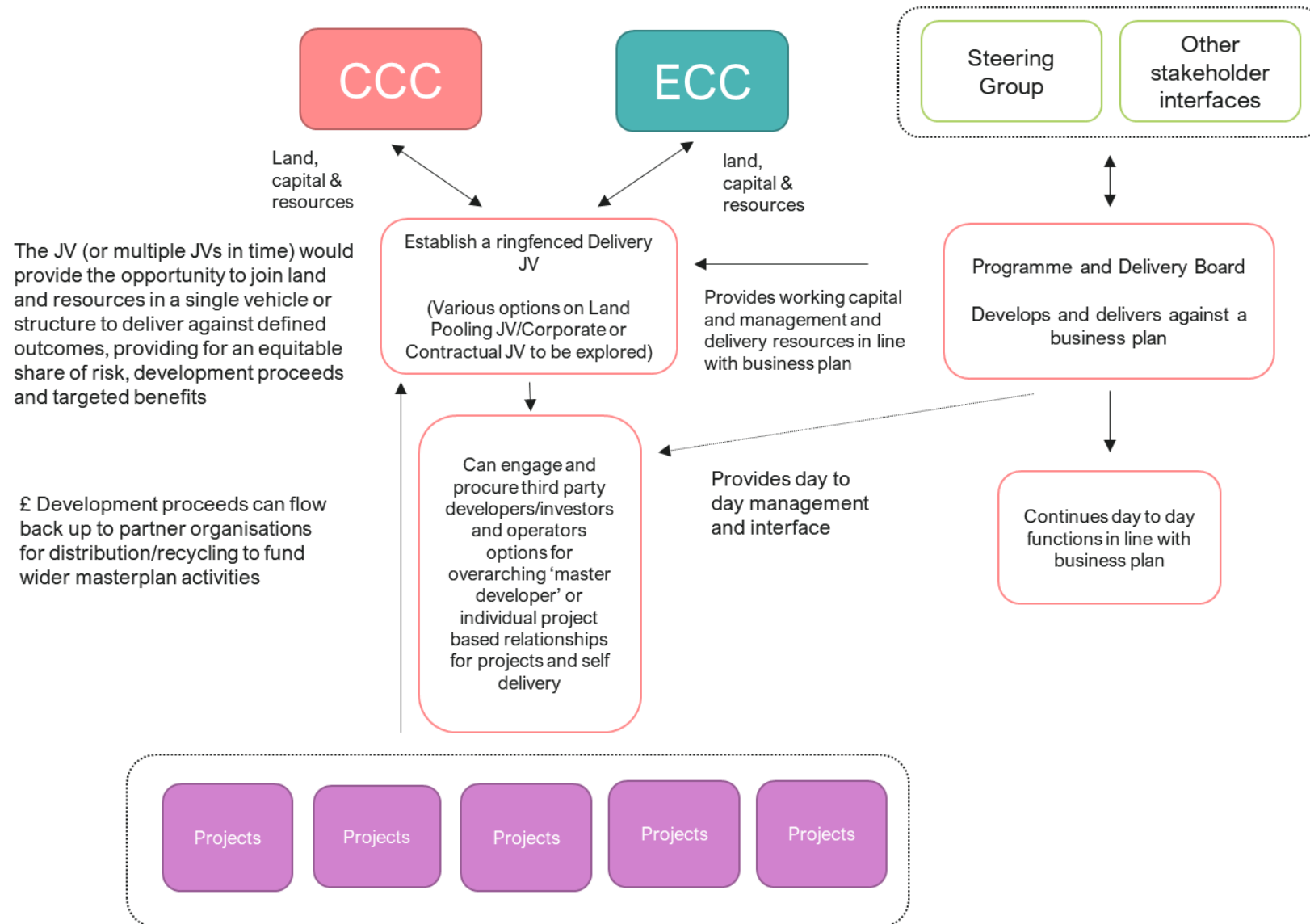
- The flows and commitments of land, capital and resources from each party
- The form of the partnership and joint venture
- The governance structure for the partnership as well as formal and informal arrangements for interfaces with other key stakeholders
- The relationship the partnership will have with third party consultants, developers, investors, funders and operators and to what extent the partnership can flex to accommodate these.

NEXT STEPS

Immediate actions to facilitate partnered working include:

- Convene a facilitated workshop for CCC and ECC to consider the masterplan and how that translates through to the aims and objectives of a future partnership
- Consider the roles of the respective parties and need for interfaces with third party developers, investors and operators in order to meet the aims and objectives
- Consider developing a Memorandum of Understanding to affirm the aims and objectives and enable focussed partnership working until a more formalised joint venture structure can be established

INDICATIVE DELIVERY STRUCTURE DIAGRAM



PART 3: INDIVIDUAL SITE REVIEWS

SITE 1: HIGH STREET

Landowners & interested parties

Buildings around high street are in multiple ownership and tenancies

High street road assets (road, paving, footways) will be under ECC remit

All have a vested interest in the performance of the high street as an accessible, safe and attractive place to visit

Paying for it

£100,000 LUF earmarked for shopfront improvement scheme in St Botolphs Street

Phasing & considerations for proposed actions/deliverables

1. Consult bus and taxi operators on requirements for high street pick up/set down areas
2. Consult high street businesses on delivery needs and options for consolidation (if not already consolidated) and shifting deliveries to off-peak times
3. Confirm priority/timescales for various interventions, which may be based on financing/funding available, ease of delivery, and need

Delivering the masterplan principles

■ Actively respond to the climate emergency	Improved environment around high street; more efficient bus routing to encourage sustainable transport
■ Provide a safe, healthy, active and accessible city centre	Improved environment around high street
■ Diversify city centre uses to encourage footfall	Broader range of businesses and footfall attracted through better public realm and connectivity
■ Support the city centre economy to everyone's benefit	Broader range of businesses and job options created through better public realm and connectivity
■ Make the most of Colchester's rich heritage	Improved environs and accessibility for heritage assets

SITE 2: SOUTHWAY

Landowners & interested parties

- CCC owns the multi-storey car park and Freehold of the NCP car park and leased (indirectly) to NCP
- ECC owns Stanwell House
- The Southway is adopted highway under ECC control (subsoil in partial ECC ownership)
- There are some CCC assets south of Southway
- Other buildings are in private ownership

Paying for it

The council will need to work with existing landowners to identify investment priorities and work to improve the appearance of the area (particularly car parks as identified in the masterplan). These improvements, along with other interventions from the masterplan, could increase underlying land values (and therefore increase book values for the owners), and therefore could accelerate future redevelopment of the sites.

Closing car parks elsewhere in the vicinity is likely to benefit the MSCP and NCP, as they will absorb much of the lost parking. It is critical that the council engages with the NCP owners prior to any formal decision making on car parking closures so that the council retains leverage as freeholder. The council should undertake an asset management review of the NCP land/building as priority to identify any areas for short-term negotiation, such as rent reviews, lease breaks, repairing obligations etc.

Improvements to the MSCP can come from Section 106; reinvesting profits from future development sites owned by the council; and boosted revenue as a result of other car park closures.

The St John's Green/Abbeygate Street crossing can be paid for by parties most likely to benefit from improved access to and from the city centre from the south, most notably the future developers of sites such as the Garrison and any other developments emerging in the short-to-medium term.

Funding requirements for additional crossings and public transport interchange improvements will be known once a more detailed review has been carried out. Improvements could be funded from a range of sources, including developer contributions.

Phasing & considerations for proposed actions/deliverables

1. Undertake an asset management review of NCP-occupied land to identify leverage opportunities with the leaseholder, e.g. rent reviews, repairing obligations.
2. Use the Britannia Road car park closure as leverage with NCP to commit them to improving the car park, as they will likely increase their income as a result of closing Britannia Road CP.
3. Review bus services to confirm detailed interchange needs and establish any requirements for additional interchange provision in the Southway area.
4. Undertake a study on the costs, benefits, and feasibility of demolishing vs retaining Stanwell House. The study should consider what the building can be used for if retained and refurbishment costs involved for different uses.
5. Make improvements to the MSCP and NCP, taking inspiration from innovative 'mixed use car park' schemes e.g. Calgary Platform Innovation Centre.
6. Construct straight-across/single-stage pedestrian crossing from St John's Green to Abbeygate Street.

7. Review location and financing options for pedestrian crossings at other Southway desire lines.
8. Liaise with planning on options for the barracks sites to the southwest of Southway. Develop a masterplan for the barracks sites and Headgate Theatre, which should include a requirement to construct or pay for a single-stage pedestrian crossing for Chapel Street and/or Head Street. Bundling these sites together as a single opportunity will likely be attractive for a developer. Consider directing S278/S106 contributions to identified interventions. Enter into dialogue with developer of the Garrison site regarding voluntary contributions.
9. Review other development opportunities that could fund a pedestrian crossing at Stanwell Street.

Delivering the masterplan principles

■	Actively respond to the climate emergency	Embodied carbon of demolition and rebuild avoided; walking/cycling encouraged through new connections across Southway
■	Provide a safe, healthy, active and accessible city centre	Walking/cycling/permeability encouraged through new connections across Southway; safety improved around car parks
■	Diversify city centre uses to encourage footfall	New uses incorporated in car park improvements (potentially) and Stanwell House redevelopment
■	Support the city centre economy to everyone's benefit	
■	Make the most of Colchester's rich heritage	

SITE 3: FORMER BUS DEPOT

Landowners & interested parties

ECC and CCC ownership

Paying for it

Due to shared ECC and CCC ownership, a partnership approach to delivery will be important, and there a number of options for direct or partnered delivery structures. Furthermore, because the site is in proximity to the Britannia car parking site, there may be an opportunity for ECC and CCC to align interests and link the two sites as part of a wider, multi-phase approach to development.

The exact type of partnership structure will require further consideration based on the level of control the councils would like to see on the future outcomes/vision for the area, balanced against the councils' appetites for risk and financial return. The approach to this is considered within Part 2: Delivery Structures of this delivery note.

If the councils secure a development partner, the partnership could incorporate a 'rolling infrastructure' funding approach whereby each development delivered unlocks value that can be recycled into city-wide investment priorities as identified within the masterplan.


Phasing & considerations for proposed actions/deliverables

1. ECC/CCC seek alignment of interests on sites 3 & 4 and determine the most suitable type of delivery structure given council capacities and ambitions for local outcomes.
2. Create a site brief for development, outlining the area for development and core/must-have elements to be built (residential, public spaces). Residential is a must-have for the site's viability; ground floor commercial viability/options will be subject to market testing. Requiring BREEAM certification and sustainable reuse/disposal of construction materials will contribute towards climate goals.

The site brief could be supplied in tandem with the brief for site 4, as having the two opportunities packaged together could appeal to developers, particularly given the LUF project intending to physically link sites 3 and 4.

3. Market test options for residential and ground floor commercial. This should include market testing car-free development for this part of Colchester.
4. Negotiate with developers to secure Section 106 or other financing for other masterplan projects.
5. If ground floor workspace is included, the council(s) will need to procure and pay an operator to take the site (council retains the risk) or offer it to an operator on a long and very affordable lease (operator takes the risk).
6. Deliver the walking/cycling link between sites 3 and 4 (LUF project) (Note this is placed at a long-term point in the delivery timescale because if sites 3 and 4 are both imminently development sites, a walking/cycling link built now may be blocked or removed during construction. However, the route can be delivered much earlier if it will not be affected by forthcoming development).

Delivering the masterplan principles

 Actively respond to the climate emergency	New buildings and public realm delivered to high environmental standard; biodiversity encouraged through public realm design and landscaping; construction materials recycled and reused
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■	Provide a safe, healthy, active and accessible city centre	Quality public spaces delivered; safe walking routes created between sites and city centre
■	Diversify city centre uses to encourage footfall	New residential delivered in proximity to city centre, providing more footfall; diverse range of buildings constructed
■	Support the city centre economy to everyone's benefit	New space for businesses provided
■	Make the most of Colchester's rich heritage	

SITE 4: BRITANNIA YARD

Landowners & interested parties

- CCC owns most of the site
- St Botolphs will have a strong interest in development as it is a primary neighbour
- The Chinese Community Centre will be affected by development, as will nearby existing residences
- Network Rail and the Arch Company will take an interest, particularly if plans to use railway arches as storage materialise.

Paying for it

See Site 3 and also Part 2: Delivery Structures of this delivery note.

In addition, Britannia Yard will benefit from LUF:

- £500,000 (shared with Vineyard Gate) for archaeological assessment/works required before any planning and development. Preparing the site for development is estimated to leverage an additional £23,211,745 from a private developer partner.
- £7,192,635 for new northern step-free pedestrian access to the railway station, improved historic interpretation and access through St Botolph's Priory, and creation of a new heritage walking route potentially linking Britannia Yard to the former bus depot site.
- £738,282 (either for Britannia Yard or Vineyard Gate) for a new bike hub

Phasing & considerations for proposed actions/deliverables

The list below assumes the car parking assessment has confirmed that other town centre car parks can absorb demand from Britannia car park.

1. ECC/CCC seek alignment of interests on sites 3 & 4 and determine the most suitable type of delivery structure given council capacities and ambitions for local outcomes.
2. Complete Ground Penetrating Radar survey to understand any constraints the underlying archaeology presents for development.
3. Consult the Chinese community and people managing the community centre to understand their needs for a re-provided space.
4. Engage other local community groups to understand their aspirations for the site, particularly for its public space.
5. Liaise with Network Rail and the Arch Company about whether railway arches can form part of the site and potential uses and challenges.
6. Consult St Botolph's on their ambitions/concerns for their surroundings and new development.
7. Determine the most suitable type of delivery structure given council capacity and ambitions for local outcomes (direct or partnered delivery).
8. Create a site development brief, outlining the area for development and core/must-have elements to be built, i.e. residential, re-provided community centre, and a public space at the scheduled monument site. An 'activated' public space (with a market or other curation) and ground floor should be considered a nice to have, as their viability will depend on market testing.

Requiring BREEAM certification and sustainable reuse/disposal of construction materials will contribute towards climate goals.

The site brief could be supplied in tandem with the brief for site 3, as having the two opportunities packaged together could appeal to developers, particularly given the LUF project intending to physically link sites 3 and 4.

9. Work with/support selected developers to market test options for residential (flats, maisonettes, terraces), ground floor commercial, and public space activation. This should include market testing car-free development for this part of Colchester.

Delivering the masterplan principles

■	Actively respond to the climate emergency	New buildings and public realm delivered to high environmental standard; biodiversity encouraged through public realm design and landscaping; construction materials recycled and reused
■	Provide a safe, healthy, active and accessible city centre	Quality public spaces delivered; safe walking routes created between sites and city centre
■	Diversify city centre uses to encourage footfall	New residential delivered in proximity to city centre, providing more footfall; diverse range of buildings constructed
■	Support the city centre economy to everyone's benefit	New space for businesses provided
■	Make the most of Colchester's rich heritage	Environs of St Botolphs improved; new space provided for Chinese community; placemaking encouraged through new public realm

SITE 5: VINEYARD GATE

Landowners & interested parties

- CCC owns most of the site
- Franklins Group owns a cluster of buildings on the site, one of which is included in the parcels for development
- Other buildings in multiple ownership.

Paying for it

See Site 3 and 4 where there is potential to also include Vineyard Gate within an overarching delivery vehicle. The approach to scoping such a partnership is explored in Part 2: Delivery Structures of this delivery note.

In addition, Vineyard Gate will benefit from LUF:

- £500,000 (shared with Britannia Yard) for archaeological assessment/works required before any planning and development. Preparing the site for development is estimated to leverage an additional £16,098,222 from a private developer partner
- £1,046,115 for public realm improvements
- £738,282 (either for Britannia Yard or Vineyard Gate) for a new bike hub.

Phasing & considerations for proposed actions/deliverables

The list below assumes the car parking assessment has confirmed that other town centre car parks can absorb demand from Britannia car park.

1. Liaise with UKPN to secure the walled compound area for future development or interchange requirements.
2. Undertake an asset management review to understand the timescales and barriers to securing vacant possession of the wider collection of CCC properties in the area. Land assembly would create a larger and less complex development plot.
3. Market test uses for the site and establish the council's preferences for how any future development will interface with the city wall. Market testing for Site 5 should come after planning approval for Sites 3 and 4, as its greater complexity will mean a longer lead-in for delivery and it will need to respond to what has already been developed elsewhere.
4. Create a site development brief, outlining the area for development and core/must-have elements to be built as per market testing above.

Delivering the masterplan principles

■ Actively respond to the climate emergency	New buildings and public realm delivered to high environmental standard
■ Provide a safe, healthy, active and accessible city centre	Safe routes created to city centre
■ Diversify city centre uses to encourage footfall	New residential delivered in proximity to city centre, providing more footfall; diverse range of buildings constructed
■ Support the city centre economy to everyone's benefit	Land near city centre assembled for development; new space for businesses provided

SITE 6: ST BOTOLPH'S ROUNDABOUT

Landowners & interested parties

- CCC owns one building south of the roundabout
- Roads are adopted highway under ECC control (subsoil in partial ECC ownership)
- Other buildings and assets in multiple ownership; for example, the walled compound area next to the NCP car park is in UKPN remit.

Paying for it

This initiative would be funded by £9,286,031 of LUF with an additional £2,513,969 from Section 106 agreements.

Phasing & considerations for proposed actions/deliverables

1. Review options for consolidating masterplan or other roadworks, e.g. doing roundabout construction in tandem with Southway crossing construction or Britannia Yard development, to minimise disruption for town centre users.
2. Review opportunities for developing land released through roundabout reconstruction, including whether the land sits within any ECC/CCC joint venture, potential site uses, and delivery partners.
3. Create a site development brief.

Delivering the masterplan principles

■	Actively respond to the climate emergency	
■	Provide a safe, healthy, active and accessible city centre	Walking/cycling routes into city centre improved; space for new or improved public realm created
■	Diversify city centre uses to encourage footfall	New building(s) delivered in proximity to city centre
■	Support the city centre economy to everyone's benefit	Land restructured to unlock space for development and new business
■	Make the most of Colchester's rich heritage	



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