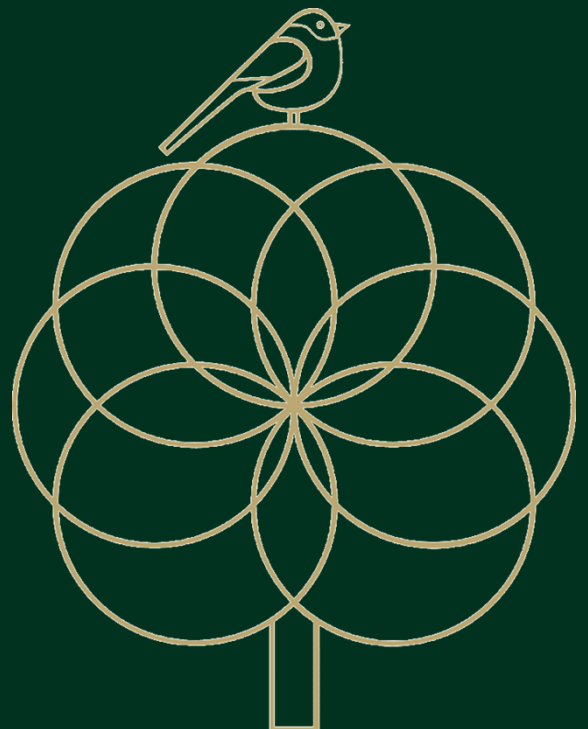


PUBLIC

# The Depot Site Initial Site Development Plan

July 2023

**Bracknell  
Forest Cambium  
Partnership LLP**





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## 1. INTRODUCTION

The Depot site (surplus land) represents the third site proposed to come forward for the Bracknell Forest Cambium Partnership LLP. The Initial Site Development Plan (ISDP) is the first stage under the Development Agreement. The Council selected Countryside as its development partner following an OJEU Competitive Dialogue procurement process in 2020. The Council and Countryside have entered into a Members Agreement and associated Project Agreements which provide an overarching legal structure. The site drawn down will take place once the conditions precedent have been met under the terms of the Development Agreement for this site proposal, and a Site Settled Development Plan has been agreed by each partner later in 2024.

This document is the Initial Site Development Plan for the surplus land at the Depot site and is the third scheme undertaken by the Partnership. A 'Development Proposal' was submitted and approved in October 2021 giving the Partnership 12 months exclusivity period for the development of an Initial Site Development Plan. In September 2022 the exclusivity period was extended by a further 12 months to October 2023.

This Initial Site Development Plan has been produced based on a capacity study designed by John Thompson and Partners. The scheme has yet to receive formal pre-application advice from the Local Planning Authority and it is therefore likely that there will be some amendments through the planning process. Revenue and cost assumptions are based on estimates with outline technical investigations and will be refined as the scheme progresses through planning and detailed design. The proposals have been informed by several background technical reports that have helped as part of the due diligence process for the development.

The LLP Board (JV) reviewed the ISDP at the LLP Meeting held in July 2023 and recommended that each partner should seek approval through their decision-making processes, as agreed under the Members Agreement.

Market Context - The construction market has had to deal with significant uncertainty following the acute impacts of BREXIT and the COVID 19 pandemic. While BREXIT has caused issues with the supply chain (materials and labour) this has predominately been priced in since the UK officially left the EU at the start of 2020. Although the global economy has predominately reopened, the pandemic has continued to have an impact on construction costs. Rising demand have increased costs of core materials and there has also been a continued increase in the wholesale energy pricing as a result of Russia closing the Nord stream pipeline to the majority of Europe following the conflict in Ukraine. Furthermore, Ukraine (and Russia) were one of the largest producers of raw materials to Europe and the UK. The current conflict is putting serious strains on availability and therefore alternatives are being sourced, with a heightened price (supply/demand). This has put further pressure on construction costs.





## 2. SITE OUTPUTS

The principles of the Depot Development are to:

- Provide a 40-unit housing scheme of which a minimum of 25% will be affordable housing, meeting the needs of local residents.
- Make town centre living available for families, but also appealing to single occupancy and the elderly, in a choice of affordable homes within walkable reach of the town centre, enabling residents to access the amenities and attractions of the town centre.
- Support the creation of an inclusive community.
- Create a beacon for sustainable housing delivery, combining the best of suburban development principles into a town centre location that is a benchmark for high quality housing provision.
- Provide new green amenity space, deliver biodiversity net gain and retain existing mature trees where possible.
- Improve connectivity to the town centre and adjacent developments through pedestrian walkways and cycle routes.

The site layout, tenure mix and building forms are in their initial stage and further detail is required before entering the formal pre-application process with the LPA. It is anticipated that the planning design will commence in September 2023. The draft planning application is anticipated to be presented to the Partnership Board in February 2024 following formal pre-application meetings with the Local Planning Authority (LPA) with a planning submission date of Q2 2024.

The proposed development is for circa 40 new homes, comprising of c.15 houses and c. 25 apartments, subject to discussions with the LPA. The proposed development solution has some similar characteristics to the Coopers Hill scheme.

It is intended to enter into an agreement with a RP following a rigorous tender process. The tender process will be undertaken prior to planning submission and an agreement signed into as a conditions of land draw down. This will test viability and returns against a minimum policy compliant 25% or 35% (subject to change when Bracknell Forest's new local plan is adopted) and 100% affordable scheme, with a final proposal being presented to both partners in the form of a settled site development plan.

### Affordable Homes - Bracknell Forest housing strategy 2023 to 2028

The vision is for all Bracknell Forest residents to be able to live in good quality, safe, and affordable homes, where they can be independent and financially secure, and can access the right support when needed.

The Council has set out four priorities to help achieve this:

1. Prevent homelessness and increase housing options and support for households in need.
2. Deliver new homes in sustainable communities that meet the needs of residents.

3. Make the best use of existing homes and improve housing quality.
4. Provide a range of housing options for people with care and support needs.

This development will align with this strategy by:

- Providing affordable housing with varying unit sizes, including larger units suitable for family occupancy if possible.
- Exceed strategy where possible by providing 10% of housing as wheelchair adapted (strategy 5%).
- Rent for affordable homes will be capped at LHA.
- Offering a high quality indistinguishable from private for sale homes in the neighbourhood.
- Exploring different options and funding implications for a mix of tenures.

### Onerous Conditions

Means any conditions imposed in a Planning Permission or any obligations contained in any Planning Agreement which have the following effects.

- (a) prevents full development or occupation of the Site without the agreement or co-operation of someone other than the Partnership or the Council (whether as landowner, local planning authority, highways authority or housing authority);
- (b) is a temporary planning permission or restricts the planning permission to a set period of time provided that a planning permission requiring commencement of development within three years or more shall not be an onerous condition for these purposes.
- (c) makes the planning permission personal to either one person, a number of persons or a specified class or classes of persons;
- (d) imposes requirements in respect of any land not comprised within the Planning Application redline plan other than commuted sums contemplated in the Planning Application or those relating to public realm or public highway;
- (e) materially increases the cost of delivery of the Development so as to prejudice the financial viability of the Development;
- (f) requires financial planning contributions to be paid on terms or in stages which the Partnership considers to be unreasonable;
- (g) absence of provisions in any Planning Agreement which protect mortgagees in the event of insolvency or default by the Partnership or for a registered provider so that they are not to be bound by the Partnership's obligations contained in such Planning Agreement
- (h) Unreasonably restricts the hours or the way the Site may be supplied with goods or services pursuant to the Development
- (i) Limits or qualifies the identity of the person or class of person able to occupy, use or permit to occupy or use the Site and/ or any residential units on the Site (other than restrictions on the use of affordable units for affordable housing and/ or reasonable restrictions on the uses that commercial units on the Site may be used for, considering the proposed uses of the commercial units in the Site Development Plan).
- (j) If implemented would cause the Partnership to be in breach of its development, marketing or sales obligations as set out in the Development Agreement or the Members Agreement.

## 3. VACANT POSSESSION

The main Depot site is subject to a Council project to demolish and remodel the area. The surplus land identified for residential development will be cleared and demolished to slab level. The Council is in the process of completing the demolition contract and anticipates the site will be cleared by the end of December 2023.

## 4. FINANCIAL MODEL

As part of the Development Agreement a standard financial model was established. This has been used to assess the financial viability of this site and to determine a residual land value. At this stage, there are several provisional sums within the appraisal which cannot be quantified until the design, site investigations and engagement with the LPA progress. These provisional sums include ground conditions, flood risk, boundary treatments and connectivity with neighbouring sites.

An overview of the financial returns is described in this document and summary financial appraisal is included in Appendix 2.

### Development Planning Stages

As with previous developments brought forward as part of the Bracknell Forest Joint Venture, the Initial Site Development Plan is used to assess the feasibility of the site and inform an Initial Market Value (IMV).

The Development Plan will evolve and be updated regularly until all the conditions precedent have been met prior to land drawdown. At this point a Settled Site Development Plan (SSDP) will be presented and agreed. The revisions will reflect design development, further understanding of site conditions and risk, and with increased cost certainty. The land value and projected profit will be calculated at each stage based on these inputs.

Once the detailed design has been completed, and all title and planning conditions satisfied, a SSDP will be prepared. At this stage, the Updated Market Value (UMV) will be set, immediately prior to land being drawn down by the Partnership.

The process and details on the assumptions that are used at each stage are illustrated in the flowchart in Appendix 4 of the Partnership Business Plan.

### Assumptions

Several assumptions have been made within the Initial Site Development Plan, as follows:

- Partners agreement to a 100% affordable scheme
- Use of the OPE funding (£270k)
- S106 contributions
- Ground conditions, environmental issues, flood risk, contamination;
- Title Defects;
- Utilities, drainage, diversions and infrastructure capacity;
- Rights of Light matters;

- Changes in legislation and building regulations;
- Changes in affordable housing requirements.
- Affordable Housing and Private revenues based on a £ per square foot basis. Formal tenders and priced schedules will input into the SSDP.

### Financial Outputs

The Depot Financial stack has been created and included. This updated stack models scenarios from 25% to 100% affordable units, based on high level assumptions. This currently includes loan note interest at 5%, which the members will review and confirm ahead of the SSDP being finalised. The financial appraisal is based on a number of assumptions which will need to be further tested and updated with the agreement of the JV members alongside the tenure mix.

### Private for Sale Revenue

The ISDP assumes 30 units being sold for the private market. This is subject to change as options have also been progressed on a 35% affordable and 100% affordable scheme. The private revenue has been taken from a combination of Market Street and Coopers Hill comparisons. These values will need to be tested with third party agents and valued against a fixed schedule of accommodation.

### Affordable Housing Sales

During the planning design stage, affordable housing providers will be approached to take part in a competitive tender for the Depot site affordable accommodation.

Early market testing has informed an initial indicative offer price for the affordable units with differing tenure mixes, for example, shared ownership, rent to buy, affordable rent, social rent. For the purposes of this ISDP, the LLP have assumed a mid-level offer for a minimum of 25% affordable units. This is based on a £ per square foot basis and is subject to change depending on the final agreed tenure and unit mix.

Formal tenders will be requested prior to Site Settled development Plan approval where the price and tenure will be fixed.

It is anticipated that the affordable income profile would be a similar model to Coopers Hill, for this proposal it is assumed 30% at Golden Brick and the remaining 70% received on monthly valuations through the construction programme.

The anticipated offer at this stage for 25% of the units as affordable homes as follows:

- 70% Affordable Rent Units – rent capped at local housing allowance
- 30% Shared ownership units

# The Depot



## Construction Costs

Scheme build costs have been based on a review of a number of recent construction projects with standard CPPLC house types. A cost review has been carried out by the CPPLC estimating team the costs have been reviewed and market tested as of August 2023 and will be subject to period review as market conditions change.

Costings have been analysed on the elements of substructures, superstructures, unit costs for private and adoptable external works and drainage, preliminaries and scaffolding. In addition to these standard elements several abnormal items have been identified and informed by technical reports provided by Bracknell:

- Significant level difference between the depot and adjacent site on the western boundary, potentially requiring a retaining wall
- Ground contamination
- Noise mitigation from the railway
- Connectivity to neighbouring developments

A full detailed cost plan, with renewed market testing, will be prepared once final drawings have been prepared, and any variance between this cost plan and the allowance in this site proposal be presented to the Partnership board. The council has secured £570K of grant funding which is being used to support the demolition of the overall depot site and mitigate some of the abnormal site conditions.

## Land Assembly Costs

The land is wholly owned by the Council and as such there are not anticipated to be any third-party ownership costs. Allowances have been made for stamp duty land tax, legal fees in relation to the land transfer.



## Management Fees

The agreed Development Management fees are included at levels stipulated in the JV legal agreements.

### 1. Construction Management

Management of the construction elements of the regeneration (design, procurement and build). The Construction Management covers the following services:

- Prepare and monitor the construction programme
- Appoint trade sub-contractors on a tendered basis
- Monitor the performance of consultant and subcontractors
- Prepare a construction budget and provide monthly cost reporting
- Carry out and coordinate the preparation, specifications and/or schedules for demolition and enabling works
- Organise, attend and chair monthly progress meetings
- Prepare and report on environmental investigations and necessary standards
- Site logistics planning
- Site management throughout the construction process
- Construction traffic management
- Implement and monitor site security
- Monitor Health and Safety standards
- Ensure as-built drawings and final completion certification is issued

### 2. Project Management

Managing the planning process and implementation of the development against plans. This covers the following services

- Setting up the Partnership and project delivery strategies
- Obtaining planning consents (outline and detailed consents)
- Preparing planning applications, with assistance from planning consultants and other professional advisors
- Submitting planning applications and negotiating any amendments
- Following the grant of planning permission, to apply for and obtain any other necessary consents
- Following the grant of planning permission, advise on compliance .
- Regular updating of the financial model in accordance with the requirements of the Partnership
- Appointment and management of non-production consultants
- Procure all the necessary investigations, surveys, environmental audits or specialist research
- Use reasonable endeavours to obtain any easements or rights and consents required from Third Parties

- Working/coordinating with other management service providers
- Negotiating and agreeing site specific legal agreements on behalf of the LLP within its delegated authority
- Procurement of estate management service providers
- Supervise and co-ordinate the planning stage professional team

### 3. Sales and Marketing

Provision of sales services to facilitate private residential and commercial unit includes the following services:

- Development of Sales & Marketing strategy
- Preparing programmes in respect of all pre-marketing and marketing activities
- Agree launch prices and price ranges for each unit type
- Deliver a budget and costed marketing plan and establishing launch prices and incentives
- Development and implementation of a new brand identity
- Management of sales and marketing budget
- Regular reporting on sales data
- Negotiating and agreeing the sale of homes and commercial units on behalf of the JV

### 4. Administration and Accounting Services

Maintaining accounting records and submitting necessary statutory returns as required by Companies Law and UK tax legislation.

The administration & accounting services covers the following:

- Management accounting
- Statutory Reporting
- Management of bank accounts and payments
- Company Secretarial Services
- Overall Corporate governance

## Partnership Profit

Housing development continues to operate in a very challenge market. Construction costs have been subject to significant inflation. It is anticipated that these build rates will continue to remain high through the course of the Depot development:

## Land Value

In accordance with the Development Agreement, the land value has been calculated as a residual balance once all construction costs, development costs, fees and Partnership profit has been subtracted from Gross Development Value. The Partnership will drawdown the land once the conditions precedent in the Development Agreement and contained in the ISDP and SSDP as agreed, have been met. This satisfied S123 considerations for the Council.

All costs and revenue estimated will be reviewed and finalised prior to land drawdown (after planning permission is granted),

at which time a Settled Site Development Plan will be presented to the Partnership board. The actual land value will be based on this Settled Site Development Plan.

Market testing and S123 valuations will be undertaken at specified stages within each site development plan.



## 5. FUNDING -Details of funding profile are held in confidential annexes



The above image is an aerial red line plan of the Depot site.

# The Depot



## 6. LEGAL OVERVIEW AND LAND ASSEMBLY STRATEGY

This section is held in confidential annexes.

### Introduction

This section of the site proposal covers strategies in relation to:

- (a) Site assembly
- (b) Vacant Possession and
- (c) Satisfaction of Title Condition

The site is defined on the red-line plan attached in Appendix 1.

### Site Assembly

The Council is the freeholder for the site and has full control of its usage.

It is also assumed that the site will be appropriated by the council to resolve any residual title or neighbourly issues.

This means that if planning permission and other conditions required for land draw down are not met by this date then the Council is able to withdraw the site from the development plan process. This longstop date may be extended by request should the council agree.



### Electricity Substation

- As the completed development will have a higher electrical loading than existing buildings on the site, a new substation is likely to be required.
- The design of new substation would have to be agreed with UK Power Networks, and substation transformers installed by them in time for completion of the development. If required, the Council would need to enter into a Deed of Easement for the substation and related electricity services.

### Network Rail

- A railway line runs along the northern boundary of the site, with Bracknell station located directly opposite.
- Network Rail may require an asset protection agreement to be entered into with the Partnership, which sets out the construction obligations and protective measures required to safeguard the railway during construction.

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## 7. SALES & MARKETING STRATEGY

### Affordable Housing

An Affordable Housing provider will be competitively tendered by Countryside on behalf of the Partnership. Countryside will procure an Affordable Housing provider (setting out how the Registered Provider will be procured/tendered in line with the procurement policy) which is designed to achieve value for money and quality of services. Invitations to tender will be issued to registered providers in due course for evaluation.

## 8. ESTATE MANAGEMENT

We strive to deliver a high-quality development that will be easy and cost effective to maintain and is designed to make everyone who lives there feel safe.

It is the intention for the Partnership to appoint a professional management company to look after the development in the long-term. A detailed management strategy will be prepared for the Council's approval when the detailed design is sufficiently advanced.

It is anticipated that the Council will adopt the hard landscaped areas and the estate will be responsible for the maintenance of soft landscaped areas. The extent of the phase leases will need to be settled at the point the leases are drawn down. No allowance has been made for any commuted sums sought by the council to contribute towards the maintenance of the areas to be adopted.

Assumptions surrounding adoption of hard and soft landscaping, and any commuted sums will be finalised prior to land drawdown, as to be agreed with the Local Planning Authority.

## 9. COMMUNITY & ECONOMIC BENEFITS

A key objective of the development will be to provide social and economic benefits. This will be through employment creation and training, involving the local supply chain, training & apprenticeships.

LLP will promote employment and training opportunities to local people. A Community Liaison Manager will work with local schools and local organisation to provide training opportunities, apprenticeships, and work experience on site. The Partnership will maximise local labour by working with Council; supply chain partners and mainstream employment services such as Jobcentre Plus to establish a partnering arrangement to advertise employment opportunities and sourcing potential candidates.

During the construction phase of the project, we will offer project vacancies to local employment partners.

As a developer most of our services will be supplied by sub-contractors. It is vital that our supply chain partners are fully engaged and committed to drawing their workforce from within the local area wherever practicable. To achieve this, we will:

- Brief all supply chain partners on the project specific requirements.
- Write local employment requirements into sub-contractor documents.
- Maximise local procurement opportunities in the knowledge that local supplies will tend to employ locally.

There will be significant economic benefits generated from these 40 homes driven from the following categories:

- Construction benefits – generating new jobs through direct employment and employment through our supply chain.
- Operational and expenditure benefits including:
  - First occupation expenditure on goods in the local area
  - Creation of additional jobs from new commercial use
  - Economic output
  - Resident expenditure in local shops and services
  - Supported jobs
- Local Authority revenue benefits generated from
  - Council tax
  - Planning contribution
  - Business rates (where applicable)

There will be 40 full-time jobs created on construction, along with 50+ spin-off indirect supply chain jobs from the construction project. Additionally, operational and expenditure benefits will be generated including £250k p.a. in resident expenditure / £2m in economic output from direct employment / supporting local economy and area.

The local authority will also benefit from ~£75k p.a in council tax revenues, whilst reaping the benefits from an entirely 100% affordable scheme and addressing the critical need for more affordable housing across Bracknell and the UK.

## 10. PLANNING STRATEGY

The success of the planning strategy is reliant on a collaborative approach between the Partnership, Countryside, the Council and other interested parties. A Scoping Opinion for an Environmental Impact Assessment will be sought from the Council, but it is assumed that an EIA will not be required for the scheme.

## 11. SUSTAINABILITY POLICY

A key objective of the development is to ensure it is delivered in an environmentally responsible and sustainable manner. To achieve this the Partnership will comply with relevant social and environmental legislation and codes of practice. The Partnership has a number of objectives to mitigate the impact on environmental and social factors throughout the lifecycle of the development.

The JV would be developing the sustainability policies and improvements set out in recent developments across the borough

e.g., Coopers Hill which included the following brief for sustainability:

Key sustainability features within the proposed developments will include measures such as;

- waste and recycling facilities,
- the use of sustainable materials where practical,
- sustainable procurement policy,
- biodiversity and ecology,
- promotion of sustainable transport and mitigating congestion,
- electric vehicle parking provisions,
- energy efficient home appliances
- water efficiency measures.

The scheme will contain sustainable drainage systems, measures to reduce CO2 output and photovoltaic panels on the roofs of all apartment blocks. Sustainable travel is at the heart of the scheme, including dedicated cycle parking bays and car parking spaces with easy access to Bracknell Station, many of which some will have in-built EV charging.

## 12. DRAFT DEVELOPMENT PROGRAMME, PHASING & KEY MILESTONES

The key milestone dates for the Depot programme are held in confidential annexes

## 13. RISK REGISTER

A Partnership Risk Register is in place for the Partnership and is enclosed in the Partnership Business Plan. This provides an overarching risk management tool, consolidating risk management best practice and risks potentially arising at both Partnership and at Site Development Plan level.

A further risk register will be maintained specific to The Depot. A template is attached in Appendix 3.

This document will be maintained by Countryside and included in the papers issued ahead of each board meeting during the design and construction period of The Depot.



## 14. KPI'S & PERFORMANCE MEASUREMENT

KPIs, are embedded in the Members Agreement alongside thresholds and mechanisms in place to measure performance of construction exclusivity. These will be regularly monitored at Partnership board.

## Appendices

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APPENDIX 1: DEPOT SITE PLAN





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THE PROPOSAL

# Ground Floor Plan



GROUND FLOOR PLAN