

Core Strategy Partial Review City Centre Action Plan

Delivery
Background Paper

**August 2013
Updated December 2013**



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Delivery Background Paper

This background document accompanies the Submission Documents and outlines some background in relation to the delivery of sites and policies. This document is not on deposit for consultation and is background evidence. This paper has been updated since the proposed submission version with the inclusion of a section on Key Infrastructure and Funding Sources.

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OVERVIEW

1. NATIONAL GUIDANCE

- 1.1 The National Planning Policy Framework (NPPF) states that plans should be deliverable. Careful attention should be paid to costs and viability. Sites and the scale of development should not be subject to a scale of obligations or policy burdens which, taken cumulatively, threatens their viability. In other words any costs, taken with normal development costs, should not prevent a willing landowner and developer from achieving a competitive return; should not put the implementation of the plan at serious risk; and facilitate development throughout the economic cycle. Evidence should be proportionate and only use appropriate available information. Where measures are required to make a development acceptable in planning terms, there should be a clear justification and options for reducing costs explored. The development should not be approved if the measures cannot be secured. There should be a reasonable prospect that planned infrastructure is delivered in a timely fashion. (NPPF paragraphs 173 – 177).

2. THE PLAN'S OVERALL VIABILITY The Community Infrastructure Levy

- 2.1 The Council is in the process of adopting a Community Infrastructure Levy (CIL) charge. This is set at £70 per sq m for residential; £43 per sq m for retail; and £0 per sq m for all other commercial development. The CIL was informed by a viability assessment, which took into account the requirement for 35% of homes to be affordable, and to meet sustainable construction standards. The Inspector who examined the CIL charging schedule reduced the residential rate from £90 per sq m to £70 per sq m, but otherwise concluded that “these rates will remain viable across most of the area” (IR para. 41). The Inspector considered that the Council’s viability assessment included reasonable and up to date assumptions on costs, land values and profit margins (IR paras. 7, 27, 41). (The Council had already reduced the residential and commercial charges in the light of viability evidence). The CIL charge itself will be fixed and the Council has made it clear that it will take a flexible and negotiated approach to further infrastructure needs where overall viability is genuinely in doubt. It can demonstrate a track record in this regard. Core Strategy policy CS15 allows for flexibility on the affordable housing target where there are abnormal site specific costs (IR para. 30). In addition, the viability assessment does not make allowance for the presence of existing uses (which are not charged), thus assisting viability in many instances (IR para 21). There are insufficient differences within the city to justify different rates, for example in the city centre (IR paras. 11, 14, 27, 28). There would be a

suitable viability margin for retail schemes (IR para. 16). The residential rate is lowered to £70 per sq m to increase the viability margin and take account of increased sustainable construction standards, to avoid a serious risk of non delivery in the next 5 years or so (IR para. 34).

- 2.2 The Council is finalising its 'regulation 123' list to define which types of infrastructure the CIL could be spent on. It is likely to cover transport, open space / sports / recreation / community facilities, flood risk, education, health, museums and libraries. This would cover all the main development contributions. If unusually high site specific contributions arose on a particular proposal, the Council could decide to exercise flexibility with regard to other contributions (i.e. affordable housing). The viability evidence supporting the CIL therefore addresses the assessment of the cumulative effects of the plan on viability.
- 2.3 The remainder of this paper addresses the viability of specific site allocations and other measures in the Plan.

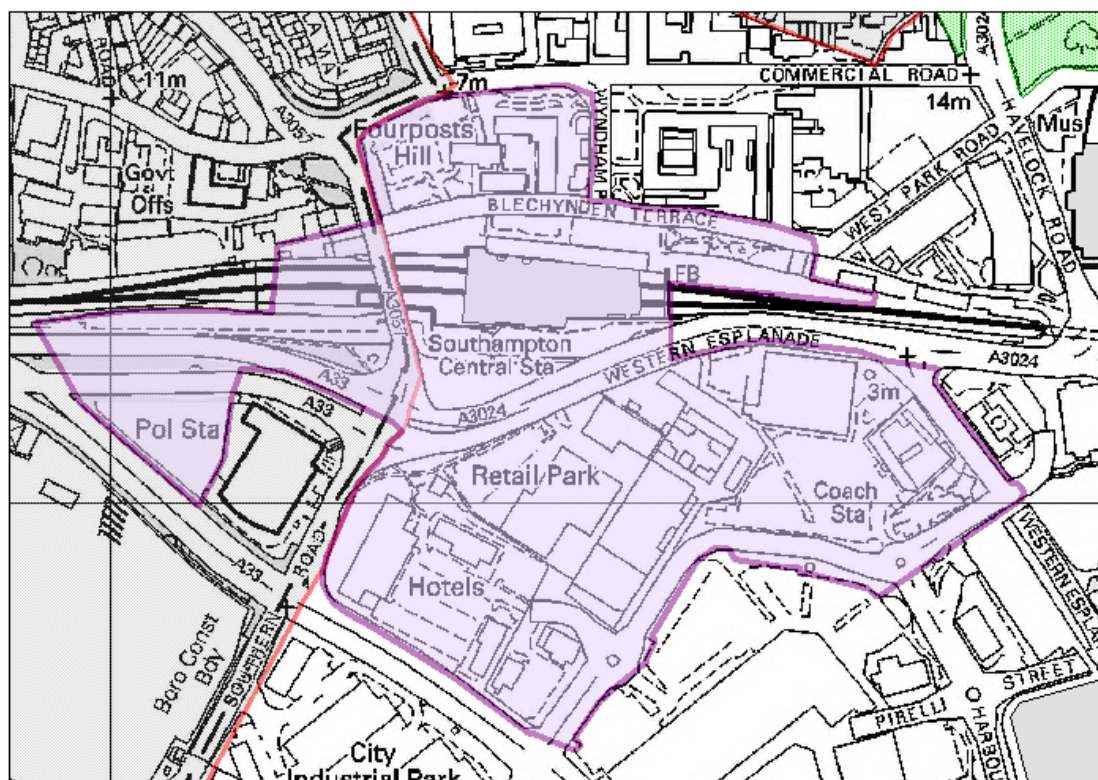
DEVELOPMENT SITES

3. INTRODUCTION

3.1 This section sets out the Council's view of the likely deliverability of each site allocated by the Plan. The section has been drafted by the Council's Planning Policy and City Development teams, who work in partnership with developers on the key sites. The deliverability of the sites has been assessed in the following way:

- Sites with the active involvement of a developer: a draft commentary was prepared by the Planning Policy and City Development teams. This was then sent to the developer. Where a response was received this was incorporated.
- Sites without the active involvement of a developer:
 - Major sites: the Council commissioned viability studies for the Station Quarter (CBRE); Western Gateway and Town Depot (Montagu Evans).
 - Other sites: a commentary was prepared by the Planning Policy and City Development teams.

4. STATION QUARTER



Policy Aim

- 4.1 Policies 20 / 21 (overall MDZ) - Promotes comprehensive planning of the whole area to create high density development with a positive relationship to surrounding areas; including pedestrian / cycle strategic links which connect each of the main destinations; associated remodelling of roads; new bus routes / interchange facilities; new civic squares and strategic views; and appropriate safety in respect of flood risk.
- 4.2 Policy 22 – To create a high quality point of arrival for the city centre, encourage public transport use and promote major mixed use development in a highly accessible location (including an office district, residential, hotel, leisure and appropriate retail uses). This involves enhancing the Central Station; the surrounding public realm and interchange facilities (eg bus, taxi, cyclist, pedestrian); improving connections to the city centre, including across Western Esplanade; and a programme of major redevelopment.

Site Context

- 4.3 The Quarter lies on the western edge of the city centre, approximately 600 - 700 metres from the main shopping area. It includes Southampton's main Central Station and associated transport

interchange. In 2011 / 12 5.95 million passengers used the station (entrance or exit), a 43% rise since 2001 / 02. Pedestrian links from the station to the rest of the city centre are poorly defined. A dual carriageway (Western Esplanade) which bisects the Quarter acts as a constraint to movement. The area includes major office blocks and residential flats to the north of the station, and retail warehouses to the south.

4.4 The Quarter can be subdivided as follows:

- Central Station Southside
- Retail Parks South of Station
- Central Station Northside
- Office / residential areas North of Station

Contribution to Plan's Overall Objectives

- 4.5 Development will create an enhanced arrival point by public transport, improved pedestrian / cycle connections to the rest of the city centre, and major new development adjacent to the Station. This is important to promote accessibility, distinctive design and economic growth.
- 4.6 Development is likely to be phased through to and beyond 2026. Some areas are likely to see limited redevelopment over this period. The area is likely to see significant changes by 2026, which will meet the overall aims for the Quarter.

Planning Designations / Constraints

Within the site:

- Flood risk (Policy AP 15).
- Area of archaeological potential (Policy CS 14).
- Western Esplanade dual carriageway is identified as a transport scheme (Policy AP 18).
- Station Quarter identified as a location for new office development (Policy AP 1).
- Part of site designated as an existing office location (City Centre Policy AP 2).

- Part of site identified as a location for new open space (Policy AP 13) and for Partial Green Links (Policy AP 12).
- Part of site identified as a location for a major site with housing element (Policy AP 9).
- Strategic views and strategic links (Policy AP 19).

Adjacent to the site:

- Listed buildings (grade II unless stated): Wyndham Court; Mayflower Theatre; Cloisters Public House; Conduit House.
- Norman Offer Site identified for employment use (Local Plan – MSA14), although most of this site is likely to remain in Port use.
- Cultural Quarter which is designated as an Evening Zone (Policy AP 8).

Significant Planning History

- New Police Headquarters: Permitted.
- Overline House: Change of use to retail, permitted (12/01338/FUL).

Central Station Northside

Site Area

- 2.6 ha.

Existing Uses

- Station forecourt, bus stops, taxi ranks, cycle spaces, station car parking.
- Nelson Gate office car park.

Land Interests

- The freehold is owned by Network Rail and the Council.

Contribution to Plan's Development Targets

- Housing – the SHLAA (2013) assumes no provision.
- Office – the Office Background Paper assumes no provision (but does assume the existing office areas will be retained).
- Retail – the Retail Background Paper assumes no provision, although the Plan would allow ancillary provision.

Progress to Date

- 4.7 Network Rail / South West Trains enhanced the north side of the station entrance within the last 5 years.
- 4.8 The Council is investigating the feasibility of reconfiguring car parking provision to enable public realm enhancements. The Council has now appointed CBRE to undertake some further testing with a view to seeking a joint venture with Network Rail. A Memorandum of Understanding has been signed with Network Rail (see Central Station Southside). £2.3 million of funding for the first phase of enhancements has been secured (primarily from the Department of Transport and developer contributions). Construction of the first phase is anticipated to start in Autumn 2013.
- 4.9 Planning permission has been granted for retail uses on the ground floor of Overline House, which will create active frontages to the public realm.

Commercial Deliverability

Source of Assessment

- 4.10 Discussions between Planning Policy and City Development teams.

Scheme Tested

- 4.11 Provision of a multi storey car park on the Nelson Gate car park site in order to release surface car parking around the station for public realm enhancements and development.

Assessment

- 4.12 There are a number of factors that will determine the viability of the scheme. The Council needs to develop an attractive multi storey car park (mscp) and agree a deal sufficiently attractive to Network Rail to enable them to relinquish significant parts of their existing car parking for public realm improvements. The deal also needs to generate sufficient income to enable the Council to develop the mscp. There is some development potential on the eastern most existing car park.

The Council as developer also needs to demonstrate to the planning authority that there will be no net increase in station related parking, or that any increase is proportionate and justified, in the light of rail passenger growth and the desire to deliver public realm enhancements, but based on a strategy to prioritise access to the station by non car modes. The Council also needs to secure the funding for the public realm improvements. If all phases of enhancement were implemented this would cost approximately £10 million. The Council has already secured £2.3 million for the first phase, leaving £7.7 million. The Government has allocated £28.8 million to the South Hampshire Local Transport Board (LTB). The Council has put as its priority bids to the LTB the enhancements to the Station Quarter north side and south side, and Civic Centre Place. The LTB decided in July 2013 to provisionally allocate £9 million to the Station Quarter, including £4.3 million to the north side. Responsibility for the allocation of this money has now been transferred to the Solent LEP. The Council is intending to undertake some market testing of development schemes to the north and south of the station in order to inform the completion of the LEP's strategic economic plan by March 2014 (with the resultant Government funding allocations to LEPs anticipated later in 2014). As with the first phase and south side improvements, the Council may secure additional money from the DfT, CIL and the National Station Improvements Programme (NSIP). In terms of bidding for such money the Council will be able to demonstrate the importance of the scheme for the city centre, as set out in the Plan, and the ability for such money to add to improvements already underway.

Conclusion

- 4.13 There is a good prospect that significant public realm enhancements will be delivered.

Central Station Southside

- 4.14 This area can be further subdivided:

- Phases 1 – 3: Central Station forecourt / Western Esplanade
- Major 132kb electricity distribution station
- Phases 4 – 6: Norman Offer site. (This site is just outside the city centre boundary).

Site Area

- Phase 1 – 3: 2.3 ha.

- Electricity Station: 0.8 ha.
- Phase 4 – 6: 3.1 ha.

Existing Uses

- Phase 1 - 3 – Central Station forecourt, bus / taxi / drop off point, grass bank. Western Esplanade dual carriageway road.
- Main electricity distribution station for city centre.
- Phase 4 - 6 – Partially developed for new Police HQ, remainder vacant and cleared site; Mountbatten Way dual carriageway and junction with Southern Road; and strip of station car parking.

Land Interests

- Phase 1 - 3 – There are two freehold ownerships (Network Rail and the Council).
- The electricity station is owned and operated by Scottish and Southern Electricity.
- Phase 4 - 6 – vacant site and highway land owned by Council; strip of station car parking owned by Network Rail.

Contribution to Plan's Development Targets

- Housing – the SHLAA assumes that 200 dwellings will be completed at the Central Station (CC33) in 2017 – 2026.
- Office – the Office Background Paper assumes that 1,625 sq m will be completed at the Central Station (Southside) in 2018 – 2021; and 15,821 sq m will be completed at Central Station (west of Southern Road) in 2021 – 2026.
- Retail – the Retail Background Paper assumes no provision, although the Plan would allow ancillary retail.

Progress to Date

- 4.15 The southern station entrance has been enhanced, relocated and re-orientated to face the city centre. The pedestrian public realm leading to this entrance has been improved. The work cost £2.4 million and

was funded by Network Rail (through its National Station Improvement Programme – NSIP), South West Trains and the Council. The work was completed in 2012.

Commercial Deliverability

Source of Assessment

- 4.16 Commercial Development Appraisal and Delivery Strategy, CBRE (2012), undertaken for the Council.

Scheme Tested

- 4.17 Phases 1 – 3 consist of:

- Phase 1 – Block B1 adjacent to station (5-6 storeys), accommodating a major hotel, small supermarket, small business / office units, some residential uses and a station square.
- Phase 2 – Block A2 west of Southern Road (4-5 storeys), accommodating residential uses.
- Phase 3 – adjacent to station, block B2 (single storey), accommodating retail units along station square; block B3 (16 storey landmark tower), accommodating residential uses.

(CBRE p8,10, 15, 16, 34, 35).

- Narrowing Western Esplanade from dual to single carriageway, to create more space for development, enhanced public realm and a transport interchange by the Station, and to enhance the pedestrian crossing towards the city centre.
- Improving / widening the pedestrian route to the city centre as it passes the electricity station, by reducing the footprint of the station and acquiring access rights over the 'spare' land thus released.

- 4.18 The narrowing of Western Esplanade and widening of the route past the sub station will contribute to fundamentally enhancing the strategic pedestrian link from the Central Station to the city centre (Strategic Link 5).

- 4.19 Phase 4 – 6 consist of:

- Offices and some residential development.

- Narrowing Mountbatten Way and Southern Road from dual to single carriageway, with an associated reduction of the road junction space. This creates more development land.

4.20 CBRE undertook broad brush design work to illustrate that the narrowing of the roads from dual to single carriageway enables the creation of development blocks / public realm around a station plaza, whilst retaining space for bus, taxi and car 'drop offs'.

Assessment

4.21 CBRE held discussions with key land interests and undertook a broad brush numerical viability appraisal. They recommended that phase 1 of the development should include a market driven mix of uses, which will act as a catalyst for longer term change in the further phases.

4.22 The Council (and CBRE) met with Network Rail in February 2012. Network Rail are positive about the assessment to date and agree that incorporating their land would provide the best outcome in terms of the aspirations of both parties. Network Rail are interested in incorporating their current car parking areas within a scheme, provided no parking spaces are lost. (The Council is considering developing a multi storey car park to the north to help achieve this). Network Rail will review detailed proposals and will need to achieve greater value than cost. (p19 / 20).

4.23 More recently, in early 2013, the Council and Network Rail have signed a Memorandum of Understanding. Both parties have agreed to work together to explore options; a mechanism for bringing development forward (eg marketing, procurement, and appointment of developer once funding for the road narrowing is secured); and a broad brush understanding of how the financial proceeds will be shared. This illustrates a good degree of commitment and co-operation from both parties.

4.24 CBRE's numerical viability assessment suggests that under contemporary market conditions (eg in 2012 during an ongoing recession) phases 1 – 6 combined are just viable. This assumes that the Council uses all of its land and CIL receipts to fund the infrastructure costs (eg the road reconfiguration). There are the usual uncertainties regarding the assumptions made, so in reality the viability is border line. The major offices (phases 4 – 6) in isolation are assessed as marginally unviable. Two factors would significantly improve viability:

- An up turn in the economy over the plan period;
- A successful bid for external funding to cover the cost of the road reconfiguration. As set out in the Station Northside, the Local Transport Board has provisionally allocated £9 million to Station

Quarter enhancements, including £4.7 million to the Station Quarter Southside. Responsibility for the allocation of this money has now been transferred to the Solent LEP. The Council (potentially with Network Rail) is intending to undertake some market testing of development schemes to the north and south of the station in order to inform the completion of the LEP's strategic economic plan by March 2014 (with the resultant Government funding allocations to LEPs anticipated later in 2014).. As with the Northside, the Council will also be able to use CIL, and bid for money from DfT, NSIP, pointing to the importance of the scheme to the city and that it complements existing improvements.

- 4.25 Therefore it is considered likely that these factors will be realised. Therefore it is considered reasonably likely that this scheme will be delivered by 2026 (or slightly beyond in the case of final completion of all the offices).
- 4.26 CBRE's development concept depends on narrowing Western Esplanade and Mountbatten Road from a dual to single carriageway. The dual carriageways are currently underutilised, particularly since the opening of the direct link from the A33 to West Quay Road. The Council's micro simulation model (run by Balfour Beatty) indicates that they can be narrowed with no adverse impact on traffic flows in the morning peak. This takes into account city centre development growth, and a modal shift away from the car. (p13 / 26). More recently Balfour Beatty have undertaken a more detailed design for this scheme (eg taking account of utilities).
- 4.27 The Council commissioned Halcrow to examine the likely cost of reconfiguring the road (approximately £10 million). (p26 / 27).
- 4.28 The electricity station is owned and operated by Scottish and Southern Electric (SSE), and is a major facility. It lies in the heart of the quarter. The Council commissioned a study by SSE which illustrates that the cost of relocating or consolidating the sub station to release development land would be very significant (£7 - £10 million). CBRE advise that this is not viable (p22) and so the sub station will remain. However the part of the sub station adjacent to the pedestrian link is simply an internal access road. Discussions with SSE indicate it is likely that the pedestrian link can be widened by utilising some or all of this area (p23), significantly enhancing the quality of the link. SSE have agreed in principle they are willing to sell the land to the Council provided their operational access needs are maintained (this disposal requires Ofgem approval). The Council is working up detailed plans which would provide routine vehicular access to the electricity station off Harbour Parade. (SSE would need to gain very occasional access by large lorry along the widened pedestrian link). In addition, longer term development of the Toys R Us site could be designed to screen the sub station.

- 4.29 The pedestrian link will form part of the wider strategic link from the Station to the West Quay Shopping Centre and beyond (Strategic Link 5).

Conclusion

- 4.30 The development concept depends on the narrowing of Western Esplanade from a dual to a single carriageway. This is feasible in traffic terms and funding is likely to be achievable (City Streets, CIL, etc). On this basis, the development has a reasonable prospect of being delivered on a phased basis over the period to 2026, particularly with an up turn in the economy. An enhancement of the strategic link past the electricity station is also likely to be viable.

Retail Parks South of the Station

Site Area

- See below.

Existing Uses

- Mountbatten Retail Warehouse Park (1.3 ha).
- An area of hotels and drive through fast food restaurants (2.3 ha).
- Toys R Us retail warehouse (1.9 ha).
- (All these uses have surface level car parking provision)
- Coach Station (national services) (0.1 ha).
- 32 kb electricity sub station (0.2 ha).

Land Interests

- The Council owns the freehold of the whole area. There are long leases to London Metric (Mountbatten Retail Park); Aviva (McDonalds, TGI restaurants); Land Securities (the hotels); and to Toys R Us.

Contribution to Plan's Development Targets

- Housing – the SHLAA (2013) assumes that 100 dwellings will be completed at Station Quarter south of the station (hotels / Toys R Us) (CC71) from 2027 onwards.
- Office – the Office Background Paper assumes no provision.
- Retail – The retail background paper assumes there is a need for retail expansion of the primary shopping area totalling 42,500 sq m. The area of search in the Plan includes Harbour Parade and this part of the Station Quarter. If monitoring reveals that the overall need for retailing is less (eg because of growth in internet shopping), this figure will reduce.

Progress to Date

- None

Commercial Deliverability

Source of Assessment

- 4.31 Discussions between the Planning Policy and City Development teams.

Scheme Tested

- 4.32 Mixed use development.

Assessment

- 4.33 The Mountbatten retail park is detached from the main retail circuit. There are signs that the strength of rental covenants is declining. It is possible that this area will come forward for mixed use redevelopment by 2026. There is currently no evidence that the hotels will be redeveloped over this period.
- 4.34 An assessment of the Toys R Us / coach station / electricity sub station area is included as part of the North of West Quay Road: Harbour Parade section.

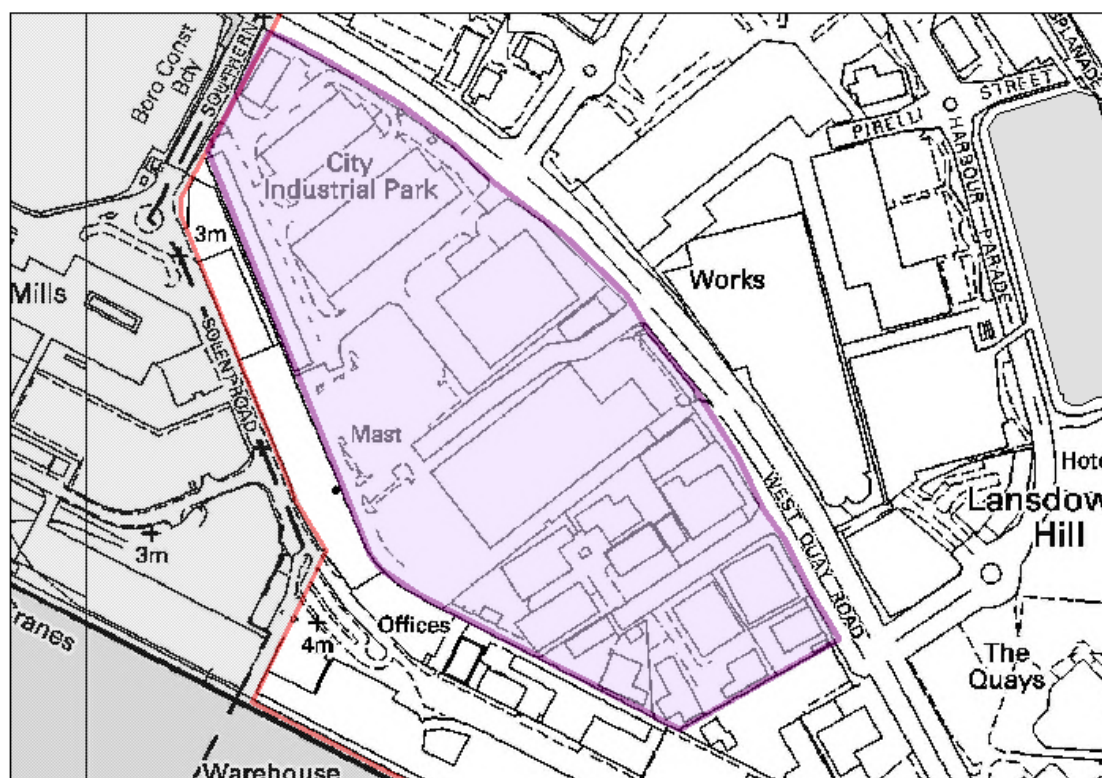
Conclusion

- 4.35 It is possible that the Mountbatten retail park will be developed by 2026. There is little prospect that the hotel area will be redeveloped by 2026, although it is possible this could occur over the longer term plan horizon.

Office / Residential Areas North of the Station

- 4.36 The Nelson Gate and Frobisher House office blocks are likely to remain in situ. The creation of additional car parking in the proposed mscp, and of public realm enhancements on the north side of the station, may encourage the refurbishment of and facilitate the reoccupation of vacant space in these office blocks.
- 4.37 The Wyndham Court residential block will remain in situ.
- 4.38 No significant change is anticipated in the mixed office and commercial areas along Commercial Road.

5. WESTERN GATEWAY



Policy Aim

- 5.1 Policies 20 / 21 (overall MDQ) - Promotes comprehensive planning of the whole area to create high density development with a positive relationship to surrounding areas; including pedestrian / cycle strategic links which connect each of the main destinations; associated remodelling of roads; new bus routes / interchange facilities; new civic squares and strategic views; and appropriate safety in respect of flood risk.
- 5.2 Policy 23 – To maintain the existing industrial and leisure areas until a more comprehensive redevelopment is viable. To create a high quality gateway to the city centre with office, leisure uses and ancillary retail uses. Residential and hotel uses can also be included provided these can be accommodated appropriately in relation to the Port and flood risk. To create a pedestrian / cycle friendly route as part of the Station Avenue strategic link through to Royal Pier Waterfront; and a new civic square or series of pocket parks. To create improved links and views to the City Cruise terminal where possible.

Site Area

- 13.8 ha.

Site Context and Existing Uses

- 5.3 The Quarter lies in the south west of the city centre. It is situated at the entrance to the city centre as approached on the main dual carriageway from the west. It is also close to the Central Station, parts of the main shopping area and the Royal Pier Waterfront, and recently completed or proposed developments (IKEA, Carnival, West Quay – Watermark and Western site). The closest part of the shopping area consists of the West Quay Retail Park and IKEA, with associated car parking. The heavily trafficked West Quay Road dual carriageway divides the Western Gateway from these areas. As a result of these factors the pedestrian access to the Quarter from these areas is generally poorly defined.
- 5.4 The Quarter itself consists of industrial / commercial units and the Leisure World complex. A strip of Port land (accommodating the City Cruise terminal, Solent Flour Mills and general freight traffic) lies immediately to the south.

Land Interests

- 5.5 Nearly all of the site is in the Council's freehold ownership. However there are major lease interests:
- City Industrial Park – The Coal Pension Fund are the head leasee, with 82 years remaining. There are 40 sub lets to individual occupiers. (3.3 ha).
 - John Lewis Warehouse – JL are the head leasee, with 70 years remaining. (1.3 ha).
 - Leisure World – UBS are the head leasee, with 82 years remaining. Odeon cinemas are the main occupier. Others include a casino, nightclub and restaurants. (4 ha).
 - West Quay Industrial Estate – multiple head leasees. (3.6 ha).

Planning Designations / Constraints

Within the site:

- Identified as part of the Major Development Quarter (Core Strategy Policy CS 2).
- The Leisure World site is identified as a Late Night Hub (City Centre Action Plan Policy AP 8).

- The area is within a flood risk zone. The southern boundary of the site is within the safeguarded area for a flood defence search zone (City Centre Action Plan Policy AP 15).
- New office location (City Centre Action Plan Policy AP 1).
- Major site with housing element (City Centre Action Plan Policy AP 9).
- Green Grid Partial Green Links and new open space (City Centre Action Plan Policies AP 12 and AP 13).
- Strategic links / views (Policies AP19, AP 20 and AP 21).
- Area of archaeological potential (Policy CS 14).

Adjacent to the site:

- Port of Southampton (Core Strategy Policy CS9 and AP 4).
- Norman Offer Site identified for employment use (Local Plan – MSA14), although most of this site is likely to remain in Port use.
- See also: Station Quarter; North of West Quay Road; Royal Pier Waterfront.
- Listed buildings (grade II): Dock Gates 8 and 10.

Significant Planning History

- No significant recent planning history

Contribution to Plan's Overall Objectives and Development Targets

- Housing – the SHLAA (2013) assumes that 115 dwellings will be completed on the City Industrial Park (CC31) in 2022 – 2026 and 2027 onwards; and that 200 dwellings will be completed on Western Gateway non City Industrial Park (CC72) in 2022 – 2026 and 2027 onwards.
- Office – the Office Background Paper assumes no provision.
- Retail – the Retail Background Paper assumes no provision.

Progress to Date

- 5.6 Initial discussions with UBS, LaSalle (acting for the Coal Pension Fund), and John Lewis.

Commercial Deliverability

Source of Assessment

- 5.7 The Council commissioned Montagu Evans (ME) to undertake a viability appraisal as part of the evidence for this Plan.

Scheme Tested

- 5.8 Phased comprehensive redevelopment.

Assessment

- 5.9 Section 2 of the ME study identifies the opportunities for positive development: a city centre gateway site with the potential for good connections to the waterfront and station, good accessibility, the potential to create critical mass on a level site, and the historical setting created by the Solent Flour Mills. The study also recognises the positive influence of new developments: Carnival office HQ and IKEA (completed); Watermark West Quay and Royal Pier (proposed).
- 5.10 Commercial constraints include the potential limits on values and uses created by the surrounding environment (the West Quay road dual carriageway and the Port), and the cost of flood defences. Section 5 outlines that a key constraint is the cost of acquiring the leasees (eg the existing use values on the site):

	£
City Industrial Park	£10 million
John Lewis warehouse / Leisure World	£29 million
West Quay Industrial Estate	£10 million
Total	£51.4 million

- 5.11 On this basis, section 6 outlines that, based on current values:

- Offices – are unlikely to be viable now. More optimistic conditions and a critical mass of occupiers would be needed.
- Retail – potentially viable but not acceptable in planning terms.
- Hotel – unlikely to be viable.
- Residential – marginal viability and on balance unlikely given the surrounding uses.

- Leisure – theoretically viable but to overcome land values would need major floorspace and there is unlikely to be sufficient occupier demand.
- Student accommodation – modest viability but may not be the right location.

5.12 However sections 5 and 6 outline the development potential in each area, based on discussions between ME and the key land interests:

- City Industrial Park – the Coal Pension Fund considers the industrial park generally trades well. They are open to considering redevelopment. They would not support offices: rents are at £18 sq ft and forecast to rise to £20 sq ft, and would need to reach £24 sq ft for development to be viable. Their preference would be for a food store (which is unlikely to meet planning policy). Housing might work, but it is close to the Port. ME comment that the industrial buildings are likely to remain ‘fit for purpose’ into the future, and so a redevelopment would need to achieve greater values and be facilitated by careful lease management.
- Leisure World – UBS are willing to consider redevelopment, particularly over the next 5 – 10 years (coinciding with Odeon’s lease). ME comment that the opening of Watermark West Quay could mean that the main occupier (the cinema) relocates. The building is not very adaptable and with little occupier demand values could drop significantly, enabling redevelopment.
- John Lewis warehouse – JL advise that the city centre site is not an optimum location for their regional distribution depot. They would be interested in relocating if a suitable site can be found. Combined with the Leisure World site, this would create a larger site.
- West Quay Industrial Estate – has a range of head leases. Comprehensive redevelopment is unlikely although there are older buildings and organic change may occur.

5.13 ME sections 5 and 6 outline that there is unlikely to be comprehensive redevelopment over a wide part of Western Gateway within the next 15 years, and that redevelopment is more likely to occur beyond that. However ME explain that this should be kept under review and set out the key drivers for change:

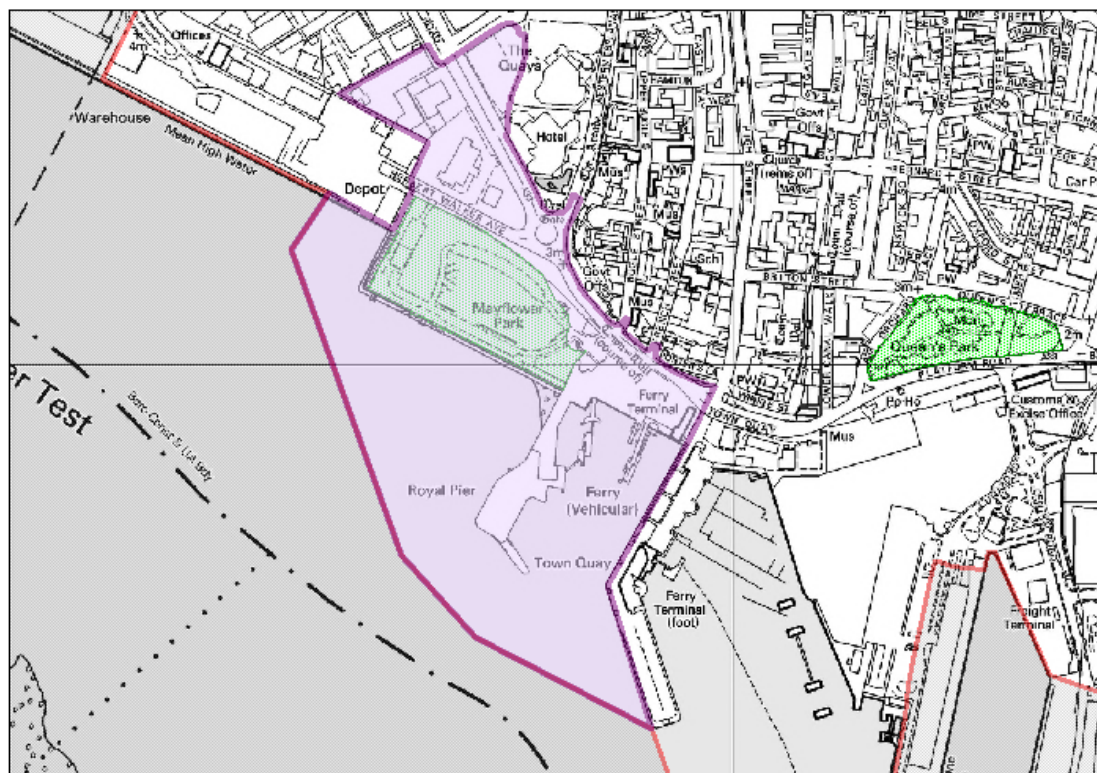
5.14 The area is developed at a low intensity. A higher density development would generate more value.

- There are 3 adjacent blocks each with just one head leasee, 2 and possibly all of which are open to redevelopment of some form (City Industrial Estate, Leisure World, John Lewis warehouse).
 - Circumstances can change. Property markets can change, and sometimes in short periods. For example with the opening of Watermark West Quay, the leisure values of Leisure World might drop substantially, enabling redevelopment. Conversely in a broader sense, Watermark and Royal Pier may change the perceptions of the area, raising values for other uses.
 - Section 8 also sets out a range of potential funds which would aid delivery (eg economic regeneration, flood risk).
- 5.15 The Plan's Habitat Regulations Assessment identifies that any tall buildings will require careful design (eg of glazing) to reduce the risk of bird collision.

Conclusion

- 5.16 There is unlikely to be a comprehensive redevelopment by 2026. However there is a reasonable prospect of redevelopment occurring over the longer term plan horizon, or be being seriously considered within the period to 2026. In any case, it is possible that redevelopment will occur sooner, and particularly on the Leisure World / John Lewis site.
- 5.17 A plan allocation is needed to guide the consideration / preparation of redevelopment schemes (even if this occurs in the longer term), from both a commercial asset management and planning perspective. This will also ensure that phased redevelopment fits in to a wider vision (eg facilitating new links within and around the site with adjoining developments). The plan allocation should also recognise that in the meantime industrial and existing leisure will continue to be supported.

6. ROYAL PIER WATERFRONT



Policy Aim

- 6.1 Policy 24 – The development will create a high quality waterfront destination commensurate with the international maritime status of Southampton, retaining the same level of public open space currently at Mayflower Park but with a reconfigured layout. Development will be mixed use and may include leisure, food and drink, speciality and small scale convenience retail, offices, residential, hotel uses and parking. (The proposal is for an ‘Inner Harbour’ to be the focus for activity). Pedestrian connections across Town Quay Road will be fundamentally improved with strong links to Watermark West Quay and the city centre. Ferry services will remain integrated with the city centre and public transport (the proposal is to consolidate and relocate them to 50 Berth).

Site Area

- 6.2 Approximately 25ha including reclamation area.

Site Context and Existing Uses

- 6.3 The site lies on the southern side of the city centre adjacent to the Old Town. It is one of the few areas of the city centre with public access to

the waterfront, located between the Western and Eastern Docks. It is also only a short walk from the main shopping area via the Watermark West Quay development, and would also draw people down to the waterfront through the Old Town. This potential is not realised at present. The enhancement of Mayflower Park together with the new development would create the public waterfront destination that Southampton currently lacks.

6.4 The existing uses, based on the development site, are:

- Mayflower Park.
- Part of Southampton Water (to be reclaimed).
- Royal Pier (redundant and derelict).
- Isle of Wight Red Funnel car ferry terminal.
- DeVere hotel car park.
- The Southampton International Boat Show occupies the park, adjacent pontoons and the hotel grounds for about 5 weeks each year. This is a major event for the city and region. The event itself lasts for 10 days.

6.5 Immediately adjacent: Town Quay (bars / restaurants, IoW / Hythe passenger ferry).

Land Interests

- Mayflower Park and the highway land are owned by the Council.
- Royal Pier, the Gate House building, adjacent land and the ferry terminal is in the freehold ownership of ABP (the Port Authority).
- The Crown Estates own the sea bed on the area to be reclaimed.
- The Holiday Inn hotel and West Quay industrial area are owned by the Council, with leases.

Planning Designations / Constraints

Within the site:

- Mayflower Park is Protected Open Space with associated Green Grid Partial Links (Policy AP 12).
- Part of the site is also designated for new open space (Policy AP 13).
- Part of the site is an area of potential archaeological remains (Policy CS 14).

- The site includes a designation for a new office location (Policy AP 1).
- Site also identified as a location for a major site with housing element (Policy AP 9).
- There is a small area of intertidal shingle habitat (Local Plan Review Policy NE 5).
- Part of the area is an evening zone, part is a late night hub (Policy AP 8).
- Flood zone and safeguarded strip for flood defence (Policy AP 15).
- Part of site falls within a designated Transport Scheme (Policy AP 18).
- Development should protect the view down either Bugle Street or French Street (Policy AP16, AP 21 and AP 24).
- Development should connect with the strategic links from the Central Station (Policy AP19, AP 20).
- Listed buildings (grade II): Royal Pier Gate House building, Royal Pier (for which listed building consent exists for its removal).

Adjacent to the site:

- Town Quay is a designated transport improvement scheme - partly within the site (Policy AP 18).
- The Old Town Conservation area lies immediately to the north (Policy CS 14)..
- The Town Walls are a listed structure and Scheduled Ancient Monument (Policy CS 14).
- Protected open spaces lie to the north (Policy AP 12).
- The adjacent Port land is safeguarded for port related uses (Policy AP 4 and Policy CS 9).
- Listed buildings (grade II unless stated): Dock Gate 8, Harbour House, various to the north of Town Quay, including Town Walls, the Wool House, Porters House and Canute's Palace, Water Gate Tower (grade I), 6 grade II buildings, Pilgrim Fathers' Memorial. (Policy CS 14).

- .

Relevant Planning History

- Marine licence for Boat Show, Marine Management Organisation (MLA/2012/00127)
- Listed building consent for removal of Royal Pier

Contribution to Plan's Overall Objectives and Development Targets

6.6 The development of the site will create a major waterfront destination for the city, linked closely to the core shopping and business areas of the city. It will significantly enhance the attractiveness of the city centre, enhance waterside public open space and provide an improved home for the Southampton International Boatshow.

- Housing – The SHLAA (2013) assumes that 311 dwellings will be completed on Royal Pier (CC 2) between 2017 and 2026. (The evolving master plan identifies upwards of circa 680 dwellings).
- Office – the Office Background Paper assumes provision of 73,000sq m GIA of offices at Royal Pier between 2018 and 2026.
- Retail – the Retail Background Paper assumes no provision. The City Centre Action Plan's target for retail development is based on focussing retailing in the existing primary shopping area and then an expansion of that area. However appropriate retail development will be supported at Royal Pier, which will contribute to the overall target.

Progress to Date

6.7 In May 2011 the Council selected the preferred developer, Morgan Sindall Investments Limited (MSIL). The two parties signed an Exclusivity Agreement in May 2011 under which MSIL have:

- Undertaken site surveys;
- Commissioned a Masterplan (prepared by Urban Initiatives);
- Prepared a viability assessment.

6.8 Morgan Sindall PLC is a major UK construction group.

- 6.9 In September 2012 'Heads of Terms' for a Development Agreement were signed by the principal parties: the Council, ABP, Crown Estates and MSIL.
- 6.10 The Development Agreement will be signed in 2013 and covers a 20-year development period, with phasing periods contained within. It is a contractual agreement setting out how the parties will work together, obligations on each party, how values will be shared, the types and quantum of uses in each phase (with parameters for change), and a mechanism / approval process to discuss more significant changes.
- 6.11 The Council has pursued a pilot approach to regulations with DEFRA, the LGA, Marine Management Organisation, Environment Agency and Natural England, now formalised in a 'Coastal Concordant'. This will facilitate the consenting process on the site.

Commercial Deliverability

Source of Assessment

- 6.12 A commentary has been prepared by the Council's Planning Policy and City Development teams, and agreed with MSIL.

Scheme Tested

- 6.13 The scheme as set out in the Urban Initiatives Masterplan. In broad terms the development phases are as follows:
- Phase 1 – The relocation of Red Funnel's consolidated operations to 50 Berth and Trafalgar Dock.
 - Phases 2 to 4 – The development of the existing Red Funnel site for retail, bars & restaurants, residential and car parking.
 - Phase 5 to 13 – the land reclamation works, extension to Mayflower Park, casino, hotel, bars, restaurants, residential and car parking.
 - Phase 14 to 20 – offices.
- 6.14 There will be flexibility between phases, depending on future circumstances such as occupier demand and funding opportunities. The development agreement links commencement of phases 2 – 4 to commencement of the land reclamation works.
- 6.15 Development construction will be phased to ensure that the Boat Show can still operate each year.

Assessment

6.16 The key value drivers for the development scheme at present are the large casino and residential development. Cafes, bars, restaurants and retail space will also generate value for ground floor units, and enhance the attractiveness of the overall scheme. The occupier demand of later phases will be fuelled not only by a growing economy and general city centre enhancement, but also by the waterfront destination which will be created by the earlier phases.

Significant costs

- 1) The reclamation of 5.7ha of land immediately south of the existing park, extending the park and creating the development platform. This provides a net gain of 1 hectare of public open space. This gain is important for recreational purposes, to help create a waterfront destination, and to improve the home of the Boat Show by providing a single, contiguous site – freeing up other sites for development. ABP are completing a ‘capital dredge’ of the main channel along Southampton Water to the Port by March 2018, and use of the dredged material will facilitate the reclamation.
- 2) The finished floor levels of the proposed buildings will be raised circa 450mm above the existing park level to protect from long term sea level rises. The development will deliver part of the city’s strategic flood defence.
- 3) The development requires a complex consenting process; planning permission, permission for works below the high water level from the Marine Management Organisation and approval under the Transport and Works Act (relating to rights of navigation).
- 4) There may be archaeology costs, for example in the vicinity of the pier.
- 5) There is also a need for transport improvements. Funding has already been secured to fully dual Town Quay (part of the Platform Road scheme). The scheme is designed to mitigate pedestrian severance between the development and the city centre, and facilitate any future access arrangements into the site. The funded scheme will scale down the large De Vere roundabout, which creates the potential for better pedestrian connections approaching from Watermark West Quay along Western Esplanade by the Town Walls.
- 6) A multi storey car park will be provided within Phase 5.

Other constraints

- 6.17 Another special constraint is the need to balance appropriately the aim to regenerate a key city centre site with the nationally important Port of Southampton.
- 6.18 ABP are one of the key land interests and a party to the Development Agreement and require residential uses to be screened from the Port by other commercial uses. Earlier development schemes were not taken forward due in part to this issue and the latest scheme has been able to take this experience into account. The constraint relates to Berth 101 to the west. The ABP senior board have now agreed the scheme in principle, delegating within ABP the final detailed 'sign off' on the development agreement.
- 6.19 ABP also require the relocation of the Isle of Wight car ferry terminal away from proposed residential uses (although it could be noted that waterfront residential development at Gunwharf Quays, Portsmouth has not prevented the operation of an adjacent Isle of Wight car ferry).

Viability and phasing

- 6.20 The viability appraisal is based on current circumstances (i.e. a static and uncertain economy). MSIL consider they have taken a measured and justifiable approach to values based on current market conditions in consultation with the Council's advisors, Deloitte Real Estate. On this basis initial phases have marginal viability.
- 6.21 To ensure viability a loan from the Government's Growing Places Fund will be sought. Alternative gap funding could also include the Regional Growth Fund, Solent LEP or transport funding. In support of any funding application the Council will be able to point to the importance of this site in the wider regeneration of the city centre, as set out in the City Centre Action Plan.
- 6.22 Phase 5 will include a large casino. The Council has the power to grant a licence for a large casino within the city and its preferred site for this is Royal Pier. (This is subject to a licensing process, which may see other applications come forward as well). In commercial terms a large casino may need to operate 24 hours per day. Locating the casino in Phase 5 at the southern end of the scheme ensures that it lies approximately 300 metres from the nearest existing residential properties, on the other side of Town Quay Road.
- 6.23 Phase 5 would create the development platform for future phases, which would proceed as occupier demand arises. This will be aided by the creation of the waterfront destination and a growing economy. The relocation of the ferry terminal is a key component of the project and necessary to alleviate the existing congestion around the constrained Town Quay site. ABP and Red Funnel require the relocation to occur

prior to the occupation of the Phase 5 buildings, which will be funded by the redevelopment of the existing ferry terminal.

- 6.24 Phases 14 to 20 are closest to the Western Docks and comprise office uses. Phase 5 creates a park extension which allows Phases 16 to 19 to develop the north – eastern edge of the existing park. Once this has been achieved, the delivery of Phases 14 to 20 will be led by occupier demand. The Council owns the freehold interest of the park, and in the land on the west of the site which is currently leased to hotel and industrial occupiers. This area is potentially available should it be required for future development.
- 6.25 Phase 20: In the long term office or residential development is the likely use for the existing De Vere car park site, which would re-provide the car parking on site in a multi storey format.

Other considerations

- 6.26 The development brings significant design, heritage and archaeological opportunities in relation to the Old Town. Close liaison with English Heritage will be essential throughout the design process to achieve a viable scheme, and these discussions have already commenced. The key issues relate to views to the waterfront along Bugle Street and / or French Street, and from Arundel Tower; views from the site to St Michael's church spire; the scale of buildings in relation to the Town Walls and Old Town. The Plan reflects these issues, acknowledging some flexibility. English Heritage have recognised the need for some compromise to achieve a viable scheme.
- 6.27 There is the potential for significant archaeology in relation to the old Town Quay area. There will be a need for survey work, leading to an archaeological mitigation strategy.
- 6.28 The Plan's Habitat Regulations Assessment identifies a number of potential issues which may require mitigation:
- Mobilisation of contaminants: Designing construction methods to avoid water pollution.
 - Noise / vibration: Designing and timing construction methods to avoid disturbing migrating salmon and birds at sensitive times.
 - Tall buildings: careful design to reduce the risk of bird collision.
- 6.29 These mitigation measures are all likely to be deliverable.

Conclusion

6.30 Overall there is a reasonable prospect that key elements of the scheme will be delivered on a phased basis over the period to 2026, which will deliver a significantly enhanced waterfront. This will be aided by:

- The developer and land owners working together. To this end considerable experience and knowledge of the site has been built up, and a full development agreement between all parties is due to be signed in the next few months.
- Growth in the economy.
- Public sector funding. A range of potential funding streams have been identified as potentially suitable for the site.

6.31 In particular, the delivery of the later phases, i.e. the western part of Phases 16-19 and Phase 20) will be enhanced by these factors. These later phases are not critical to the delivery of the significantly enhanced waterfront.

7. EAST STREET CENTRE AND QUEENS BUILDINGS



Policy Aim

- 7.1 Policy 25 – A retail led mixed use development, which could include a superstore and (above the ground floor) residential, hotel and office uses. Improved links to St Marys should be created. Development should enhance the setting of the parks and create active frontages.

Site Area

- East Street Centre: 0.6 ha.
- Queens Buildings: 1 ha.

Site Context and Existing Uses

- 7.2 The site lies on the eastern side of the primary shopping area. Together with the Debenhams store it has the potential to anchor the East Street secondary shopping street and reconnect St Marys to the city centre.
- 7.3 The East Street Shopping Centre was constructed in the 1970s. It has been largely vacant for many years (prior to the recession). The environment it creates is at best symptomatic of its period, and at worst intimidating. It forms a psychological barrier to movement from St Marys to the East Street shopping area.

- 7.4 Capital House is a tall office block of the same period. Whilst not of high architectural quality it does not itself create wider issues for pedestrian movement. It is actively used for low cost business space.

Land Interests

- 7.5 The Council own the freehold. To facilitate the development they have recently rearranged the leases (eg split the Capital House and ESSC lease, the latter to Arcadian and regeared over a longer time period).

Planning Designations / Constraints

Within the site:

- Primary shopping area. The Queens Buildings are in the primary shopping frontage; the East Street Shopping Centre is in the secondary shopping frontage (Policy AP 5).
- Flood risk zone (Policy AP 15).
- Major site with housing element - Queens Buildings – part of wider 'Land around Bargate' site (Policy AP 9)..
- Area of archaeological potential (Policy CS 14).

Adjacent to the site:

- Evening Zone (Policy AP 8).
- Protected open space – Central Parks (Policy AP 12).
- Transport scheme – Evans Street, Marsh Lane / Threefield Lane (Policy AP 18).
- Existing office location (City Centre Action Plan Policy AP 2).
- Strategic / green links (Policy AP 12 and AP19).

Significant Planning History

- Redevelopment for foodstore (5,534 sq m gross) with car parking, new roundabout / public realm improvements on Evans Street permitted (12/01355/FUL).

- A revised application was permitted in May 2013 which excluded the public realm improvements along Evans Street (13/00415/FUL).
- A road closure order is proposed to enable the remodelling of Evans Street.

Contribution to Plan's Overall Objectives and Development Targets

- 7.6 A redevelopment of the site has the potential to enhance the East Street shopping area and better connect St Marys priority community to the primary shopping area.
- Housing – the SHLAA (2013) assumes no provision.
 - Office – the Office Background Paper assumes no provision.
 - Retail – the Retail Background Paper assumes no provision. (The Core Strategy target is for comparison retailing. The superstore is convenience retailing).

Progress to Date

- 7.7 A scheme by Arcadian Estates / Centros to redevelop the East Street Shopping Centre for a superstore has been permitted, and an occupier has been signed up (Morrisons). The proposal creates a new pedestrian route from East Street, through to St Marys. (Capital House would remain).
- 7.8 In addition, the Council proposes to remodel Evans Street (currently a dual carriageway) opposite the new superstore, to enhance the pedestrian link from St Marys.

Commercial Deliverability

Source of Assessment

- 7.9 A commentary was prepared by the Council's Planning Policy and City Development teams, taking account of comments from the developer (Centros).

Scheme Tested

- 7.10 The permitted supermarket scheme.

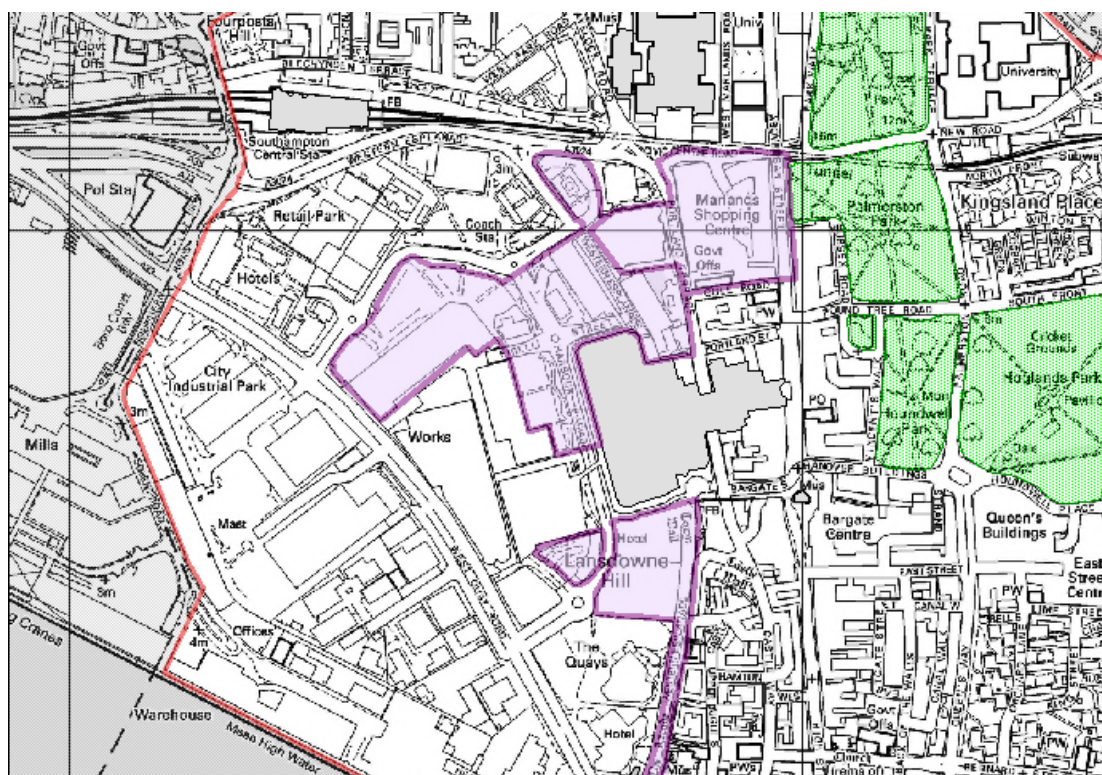
Assessment

- 7.11 The East Street Shopping Centre is vacant and is in one lease. A development scheme is at an advanced stage of preparation, and an occupier (Morrisons) has signed up. As at December 2013, the old shopping centre was being demolished in preparation for construction.

Conclusion

- 7.12 There is a good prospect that the development will be delivered in the short term.

8. NORTH OF WEST QUAY ROAD



(Proposed Amendment: Development site to include retail warehouse units east of IKEA).

Policy Aim

8.1 Policies 20 / 21 (overall MDQ) - Promotes comprehensive planning of the whole area to create high density development with a positive relationship to surrounding areas; including pedestrian / cycle strategic links which connect each of the main destinations; associated remodelling of roads; new bus routes / interchange facilities; new civic squares and strategic views; and appropriate safety in respect of flood risk.

8.2 Policy 26:

Watermark West Quay: retail, leisure, office, hotel, residential uses; a major civic square; enhance the setting of the Town Walls; active frontages.

West Quay Western Site B: office development.

Above Bar West (Asda / Marlands): major retail / leisure anchor; office, hotel, residential uses; a new pedestrian link through the site linking to the MDQ.

Harbour Parade – Phased retail / leisure expansion of the shopping area at the appropriate time, with good links and continuous active

frontages where possible. Office / hotel / residential uses on upper floors. A new civic square. Safeguard the combined heat and power station and scope for its expansion if appropriate.

Surrounding Context and Existing Uses

- 8.3 The site is a large area in the west of the city centre, situated between the existing primary shopping area, the waterfront and the Central Station.
- 8.4 West Quay (Watermark and Western Site B) are cleared sites with specific developers, and development is anticipated in the short to medium term.
- 8.5 Above Bar West and Harbour Parade are in established retail use, with no immediate development prospects.

Planning Designations / Constraints

Within the site:

- West Quay Western Site B is identified as a new office location (Policy AP 1).
- The whole site is in a flood risk zone (Policy AP 15).
- Part of site (Watermark West Quay) is identified as a major site with a housing element (Policy AP 9).
- Strategic / green links and location for new open space (Policies 12, 13 and 19).
- Watermark West Quay, Asda / Marlands and the building footprint of the West Quay Retail Park are in the primary shopping area (Policy AP 5).
- Harbour Parade is identified as the extension of the primary shopping area – area of search (Policy AP 6).
- Watermark West Quay and the West Quay Western Site B are identified as evening zones (Policy AP 8).
- Area of archaeological potential (Policy CS 14).

Adjacent to the site:

- The Old Town Conservation area (Policy CS 14).

- Listed buildings: Grade 2: The Sun Buildings, 2 Ogle Rd (adjacent to the Marlands) (Policy CS 14).
- See Station Quarter; Western Gateway; Royal Pier Waterfront

Watermark West Quay

Site Area

- 1.8 ha.

Existing Uses

- The site is cleared.

Land Interests

- The site is in the Council's freehold ownership.

Significant Planning History

A resolution to grant outline planning permission (subject to a section 106 agreement) was made in July 2013. The permission has more detail attached to phase 1 than to phase 2. The scheme includes:

- Retail (A1 – A5: 19,500 sq m, including up to 15 restaurants in phase 1)
- Hotel (28,000 sq m)
- Residential (260 flats)
- Leisure (19,500 sq m) including a cinema
- Offices (10,000 sq m)
(All sq m figures and flats are maximums)
- Public open space
- Infilling the existing pedestrian subway in Bargate Street.

An outline planning permission was granted in 2010 for mixed use development: Retail (A1 – A3): 34,700 sq m (of which: retail anchor: 2,500 – 10,600 sq m; retail A1 – A3: 17,700 – 24,100 sq m); Cinema – 7,800 sq m max; Hotel – 5,600 sq m max; Residential – 241 units max.

Contribution to Plan's Overall Objectives and Development Targets

- 8.6 Watermark West Quay is of particular importance in enhancing the city centre as a visitor attraction: expanding the existing shopping area by creating new leisure and retail uses around a square by the mediaeval Town Walls. It will also create a strategic link from the shopping area towards both waterfront and the wider MDQ / Station (Strategic Link 5).
- Housing – The SHLAA (2013) assumes that 241 dwellings will be completed at Watermark West Quay (CC27) in 2012 – 2022.
 - Office – the Office Background Paper assumes no provision.
 - Retail – the Retail Background Paper assumes 2,765 sq m will be delivered.

Progress to Date

- 8.7 For a number of years the Council (as landowner and planning authority) has been working on the development scheme with Hammerson (the developer, and one of the key owners of the adjacent West Quay Shopping Centre [WQSC]), and with other key parties (eg English Heritage regarding the Town Walls). The scheme stalled as a result of the recession. However a considerable amount of planning work has been undertaken, and the scheme is evolving to meet market conditions and provide a greater leisure element.
- 8.8 A development agreement has been signed between the Council and Hammersons. A resolution to grant planning permission was made in July 2013. The scheme has a total development value of £70 million.

Commercial Deliverability

Source of Assessment

- 8.9 A commentary was prepared by the Council's Planning Policy and City Development teams.

Scheme Tested

- 8.10 The scheme for which a resolution to grant planning permission was made in July 2013.

Phase 1 – includes large retail footprint fronting harbour parade, add in link to the car park.

Phase 2 – includes southern part and Castle Way / Albion Way (this is treated as a separate site in this paper).

Assessment

- 8.11 The key issues are as follows.
- 8.12 The scheme will complement and add value to Hammerson's existing asset (the WQSC), as well as increase the offer in Southampton. The WQSC attracts 17 million customers a year, and £7 million has recently been invested in the 'Dining at West Quay' facility within the existing shopping centre.
- 8.13 The site is flat, cleared and in single ownership.
- 8.14 Occupier demand. A cinema operator is anticipated to sign up shortly. Hammerson will then market the remainder of the phase 1 scheme. The development agreement sets out that the developer must have sought all consents such that once they have a proportion of pre-lets they are ready to start on phase 1 (eg subject to viability).
- 8.15 Public utilities cross the site and will need to be diverted.
- 8.16 The mediaeval Town Walls are adjacent to the site. A public square will be created by the walls, and other public realm improvements will flow from this. There is a need to maintain the setting of the walls and a site line from Catchcold Tower towards the waterfront which bisects the overall site. This reduces the potential development footprint. Provision of the square / public realm improvements is a significant cost. However the distinctiveness created by the Town Walls and the new urban spaces will also generate a value to the scheme and the city. There is also a CCAP strategic link running along the northern side of the site, and the proposed link along the scheme to the multi storey car park forms part of this link.
- 8.18 Due to site constraints including the need to maintain a site line across the overall site, the cost of relocating the public utilities and a large part of the public realm costs are required to be funded in phase 1.
- 8.19 Given these additional costs the viability of phase 1 is currently marginal. However Regional Growth Fund monies have been provisionally awarded to this project to enable the scheme to proceed, given the importance of this site to the city centre and as a catalyst to further development towards the waterfront.
- 8.20 The development agreement sets out the timeframes. It is anticipated that the developer will start construction of phase 1 in late Summer / Autumn 2014 with completion late Summer / Autumn 2016 and will have progressed a development concept for phase 2 (with an outline of the scheme, and a programme). Phase 2 could include residential, hotel, leisure or retail uses, although the mix is undefined at present.

- 8.21 Although not part of the scheme, consideration is being given to a high level link between the WQSC and IKEA car parks to allow interaction between the two.

Conclusion

- 8.22 There is a good prospect that phase 1 will be delivered in the short term, provided there is continued growth in the economy and continued occupier demand for the scheme; and a reasonable prospect that phase 2 will be delivered by 2026.

West Quay Western Site B (Aqua)

Site Area

- 0.4 ha.

Existing Uses

- The site is cleared and temporarily landscaped.

Land Interests

- The freeholder is Southampton City Council. Development Securities (Southampton B) Limited have an option over the land expiring on 23 December 2014.

Significant Planning History

- 6 storey hotel (6,024 sq m) with ground floor A1 – A3 (312 sq m); 8 storey offices (7,320 sq m), permitted (09/00247/OUT).
- The Carnival office HQ has been permitted and developed on the immediately adjacent site.

Contribution to Plan's Overall Objectives and Development Targets

- 8.23 The Western site will deliver more offices, adjacent to the Carnival office HQ, which was delivered as phase 1 in 2007.
- Housing – the SHLAA (2013) assumes no provision.

- Office – the Office Background Paper assumes 5,627 sq m will be delivered between 2016 and 2018.
- Retail – the Retail Background Paper assumes no provision.

Progress to Date

- 8.24 The hotel has been developed. The A1 – A3 units on the ground floor are being marketed. The developer has commenced a marketing campaign for the offices and has appointed joint agents GVA and CBRE to assist with securing a suitable tenant for the scheme.

Commercial Delivery

Source of Assessment

- 8.25 A commentary was prepared by the Council's Planning Policy and City Development teams, and agreed with Development Securities.

Scheme Tested

- 8.26 The planning permission.

Assessment

- 8.27 The site is cleared, flat and in single ownership. It is adjacent to recently completed offices (the Carnival HQ).
- 8.28 The office development depends on occupier demand and an increase in office rents in Southampton. At present there is approximately 15,000 sq m of competing existing office floorspace, and activity rates suggest this will take 2 to 3 years to be occupied.
- 8.29

Conclusion

- 8.29 There is a reasonable prospect that the development will be delivered in the short to medium term once economic growth returns and becomes established.

Above Bar West

Site Area

- Marlands Shopping Centre / Civic Centre Road / Above Bar: 2.1 ha.
- Asda: 0.7 ha.

Existing Uses

8.30 The area consists of:

- Marlands Shopping Centre.
- Retail units fronting Civic Centre Road and Above Bar.
- Marlands House (Council offices).
- Asda superstore.

Land Interests

8.31 The Marlands Shopping Centre and associated retail units on Above Bar are owned by Rockspring UK Value Southampton (Jersey) Limited. The asset managers are The Other Retail Group.

8.32 Marlands House and associated retail units on Civic Centre are owned by Council, who are intending to sell them.

8.33 The retail units on Civic Centre Road / Above Bar not covered by the above are owned by Reit.

Significant Planning History

8.34 Refurbishment of Marlands, permitted.

Contribution to Plan's Overall Objectives and Development Targets

8.35 A reconfiguration of this area would enhance the retail area and create better links to the wider MDQ and Central Station.

- Housing – The SHLAA (2013) assumes that 500 dwellings will be completed at Asda / Marlands (CC70) from 2027 onwards.

- Office – the Office Background Paper assumes no provision.
- Retail – The Retail Background Paper assumes 5,445 sq m will be delivered.

Progress to Date

- 8.36 The Marlands shopping centre was refurbished within the last 5 years.
- 8.37 The Council's property strategy involves vacating Marlands House. A scheme has been prepared to convert the building into an innovation centre and student flats (retaining retail, and creating a new entrance from Civic Centre Road, on the ground floor). Pre-application discussions have been held. The scheme is now focussed on an innovation centre.
- 8.38 In the last few years the Council has facilitated a discussion between The Other Retail Group and Reit.

Commercial Delivery

Source of Assessment

- 8.39 A commentary was prepared by the Council's Planning Policy and City Development teams, and has taken account of comments from The Other Retail Group.

Scheme Tested

- Comprehensive redevelopment.
- Reconfigurations.

Assessment: Marlands Shopping Centre and Civic Centre Rd / Above Bar Retail Units.

- 8.40 In commercial terms the retail uses are adjacent to the main primary pitch. This is in the context of being in a regional centre, and the units enjoy a low vacancy rate. This creates sufficient existing use value to make any comprehensive or significant redevelopment unlikely.
- 8.41 A more likely scenario is the reconfiguration of parts of the shopping centre. The shopping centre is already orientated to link Above Bar west to Asda, which is a significant anchor for the centre. Two options could enhance links west from Above Bar. The shopping centre owner is considering the potential to create an active frontage along Ogle Road by opening up some of the centre's units, and by re-using an adjacent listed building. In addition, more emphasis might be placed

on the entrance south of Asda, and retail units might be created along Portland Terrace, although this is only likely with a significant new attraction to the west. Once Civic Centre Road is remodelled as a city street the part of the centre overlooking this might be reconfigured for café / restaurant use, if the existing occupier were to relocate. Further refurbishment of the existing centre could take place.

Assessment: Asda

- 8.42 This is a major superstore which appears to trade reasonably well. It is currently the only superstore in the city centre. The opening of the Morrisons store (see East Street Shopping Centre site) may stimulate Asda to refurbish their store. More comprehensive redevelopment is less likely. The pedestrian links west, either side of Asda, could be enhanced; and the high level route to the multi storey car park extended into the MDQ.

Conclusion

- 8.3 In general any comprehensive redevelopment of these areas to deliver higher density mixed uses is likely to occur beyond 2026, within the longer term plan horizon. Reconfigurations of the existing format of development; or phased higher density redevelopment of some areas may occur before 2026. Alternatively redevelopment may be being planned for towards the end of this period. A plan policy is needed to guide potential scenarios and ensure that incremental change forms part of the overall vision, creating new links between retail areas, the MDQ and the station.

Harbour Parade

Site Area

- 7.1 ha.

Existing Uses

- 8.44 The area consists of:
- The West Quay Retail Park: low density retail warehouse units with surface level car park. (5.2 ha).
 - Two multi storey car parks (Marlands and Portland Terrace) (1.2 ha).
 - The district energy plant and geothermal connection. (0.2 ha).

- Mamas and Papas retail unit. (0.2 ha).
- Student flats. (0.3 ha).

The area is closely related to parts of the Station Quarter, consisting of:

- Toys R Us: low density retail warehouse unit with surface level car parking.
- Coach station.
- 32kb electricity sub station.

8.45 These areas are assessed together as they give rise to similar commercial issues. The Plan explains that the precise dividing line between these areas is relatively flexible in policy terms.

Land Interests

8.46 The site is in the freehold ownership of the Council. Aviva own the long leasehold for the West Quay Retail Park and the coach station.

Significant Planning History

- IKEA, permitted (07/00600/FUL).

Contribution to Plan's Overall Objectives and Development Targets

8.47 This area has the potential to make a significant contribution to the Plan's long term objectives. It can:

- Accommodate major retail and leisure expansion, linked to the existing primary shopping area;
- Significantly enhance links between the station and city centre / waterfront; and
- Significantly enhance the design quality of area, either through reconfiguration or a phased comprehensive development to deliver a higher density mix of uses.
- Housing – The SHLAA (2013) assumes that 296 dwellings will be completed on a redevelopment of the West Quay Retail Park (CC26) from 2027 onwards.

- Offices – the Office Background Paper assumes no provision.
- Retail – the retail background paper assumes there will be a need to expand the primary shopping area to provide an additional 42,500 sq m of comparison retail space by 2026. The Plan defines this area as the area of search for this expansion. The overall retail target is subject to monitoring. If this target were to reduce in future (eg due to internet retailing), this would reduce the need to redevelop this site by 2026.

Progress to Date

- 8.48 The Council continues to have an ongoing dialogue with Aviva in the context of the Action Plan and Master Plan.

Commercial Delivery

Source of Assessment

- 8.49 A commentary was prepared by the Council’s Planning Policy and City Development teams, taking into account the Strutt and Parker master plan viability assessment, and comments from Aviva.

Scheme Considered

- 8.50 No development scheme is being progressed at present. The assessment considers the potential for comprehensive or significant higher density mixed use redevelopment; and for a reconfiguration of the existing development formats.

Assessment

- 8.51 The site is flat and developed at a low density. Large parts of the site have a single key land interest (Aviva) and present a large potential development site. A comprehensive higher density mixed use redevelopment would create significantly more floorspace.
- 8.52 However the Aviva units have sub leases to individual occupiers such as Next Home, Tesco Home, Halfords, Boots, Decathlon and furniture retailers. The units have consistently been fully occupied. These and the Toys R Us store, with their associated surface level car parks, generate significant rental values. Strutt and Parker report that Aviva receive a high rental income and that consequently there is a very limited prospect for a viable redevelopment in the foreseeable future. The retail warehouses could be maintained / refurbished into the longer term, and individual examples of this have occurred in the last 10 years (eg installation of mezzanines).

- 8.53 However Aviva advise that they are required to manage their asset against an uncertain and forever changing background. Market forces can change quickly. Retailers can go into administration, or their size requirements change. Aviva would need to respond quickly to any changes, and this could include the consideration of redevelopment options.
- 8.54 The value drivers which would improve the prospects for redevelopment over the medium to longer are as follows:
- The economy and the retail and residential apartment sectors return to strong growth.
 - The growth in internet retailing (whilst continuing in the short to medium term) starts to flatten out, or grow at a much lower rate.
 - The changing nature of retailing lessens the need for and so reduces the value of the existing big box retail units, at least to some extent.
 - The potential for new or increased pedestrian movement patterns / footfall across the area are realised as a result of the Watermark leisure / retail development, which would add to movement patterns associated with the existing WQSC and IKEA; and by the creation of an enhanced link from the Central Station through the area (Strategic link 5).
- 8.55 A number of Aviva's sub leases expire in around 7 years. This is likely to prompt a comprehensive reconsideration of their asset. This will take into account the latest position and likely trends regarding the value drivers set out above. This might lead to a phased comprehensive redevelopment of the West Quay Retail Park. Toys R Us have a direct long lease. It is considered less likely there will be a comprehensive redevelopment of this area on this timescale.
- 8.56 An alternative, particularly for Aviva's eastern block and Toys R Us, is to extend / reconfigure the existing large footprint retail format so that it relates better to the existing and new pedestrian movement patterns described above.
- 8.57 The policy creates flexibility to enable the land interests to take forward different development options and respond quickly to market opportunities. This will aid the delivery of development options.
- 8.58 There are a number of uses which take up only a small area and are on the eastern edge of the site. They do not affect the routing of potential strategic pedestrian links. Consequently they could remain in situ without affecting wider redevelopment:

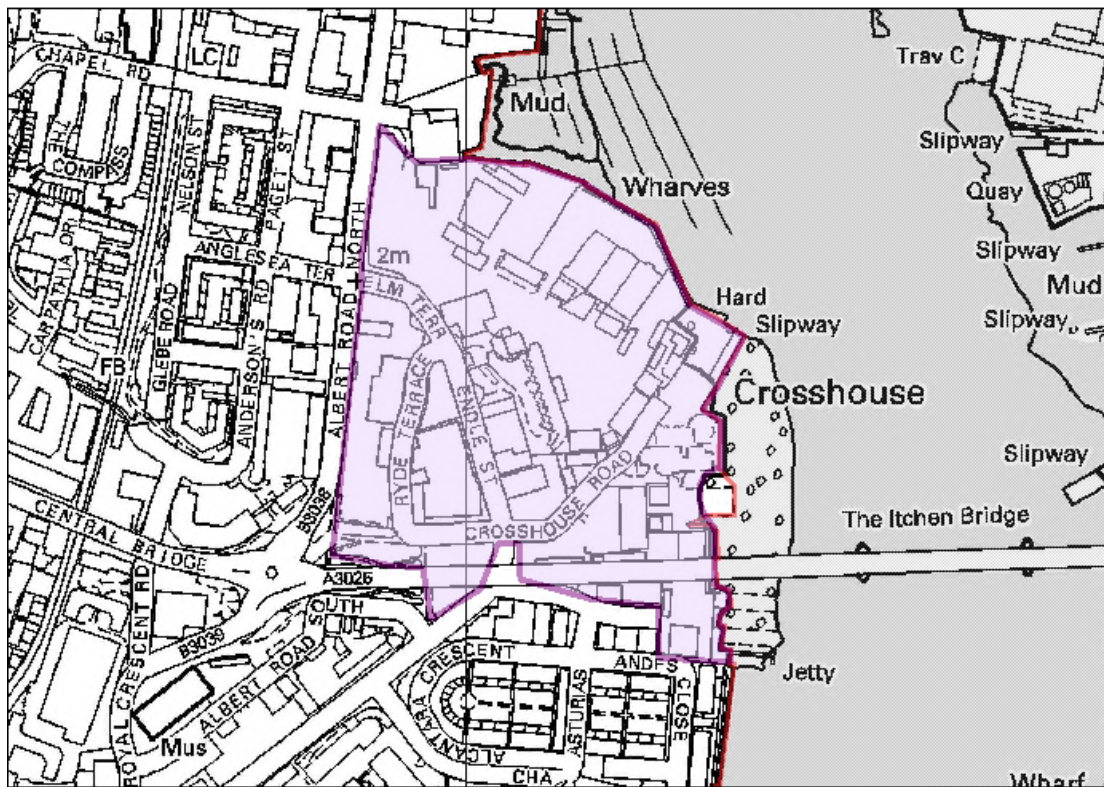
- Southampton's national coach station. This consists of parking bays and a functional building. It should be relatively easy to relocate the coach station within the wider area if this would be of benefit to the operator. In any case Aviva hold the long lease for this site. Otherwise the coach operator could remain in place. Wider redevelopment might bring forward an upgrade of their facility.
- There is a secondary 32 kb electricity distribution station within the site, near the coach station. This could be relocated at a cost. It is likely that this would be viable if it significantly benefited a redevelopment, although given its position this may well not be required.
- Student flats. These could remain in situ without affecting wider redevelopment. However, although there are no indications at present, it is possible that in the future these could become vacant as a result of student flat expansion elsewhere in the city centre. They are in a prominent location. If they were redeveloped they could significantly enhance the 'city street' from the station. It is possible that a wider re-orientation of the road network could enable this site to combine with a relocation of the coach and electricity station to create a wider development site (although this has not been tested).
- There are two multi storey car parks on the eastern edge of the area, and a retail unit ('Mamas and Papas'). The Portland Terrace car park is currently in the Council's freehold ownership but is being sold. If redeveloped and relocated these could create a new pedestrian link through to the shopping area. This would be relatively costly although may occur as part of a wider redevelopment, particularly in the longer term if demand for car use reduced. Alternatively there is scope to improve existing pedestrian links through the area.

Conclusion

8.59 There are a number of potential ways in which change could be considered or occur within the plan period. The area is a key part of the city centre between the Central Station, shopping area (eg WQSC / Watermark), and waterfront (eg Royal Pier). It is important to create new strategic links across this area. Therefore it is important that individual development phases are co-ordinated with each other and with surrounding developments. A development plan policy is needed to achieve this. It is possible that some phases of development, including reconfigurations, could be completed by 2026. Alternatively development proposals could be being considered and prepared in this period (in planning and asset management terms), with delivery over

the longer term plan horizon. The policy is sufficiently flexible to cater for a range of different scenarios.

9. TOWN DEPOT



Policy Aim

- 9.1 Policy 27 – a high quality waterfront development; improved links to the city centre and a continuous promenade along the waterfront; maintaining strategic views across the site where appropriate; respecting archaeology and heritage. Leisure, residential, office, hotel, marine employment / skills; and appropriate retail uses. Public hard for water sports activities. Achieve appropriate safety in relation to flood risk, incorporating a flood defence.

Site Area

- 7.8 ha.

Site Context and Existing Uses

- 9.2 The site lies in the eastern city centre, adjacent to the Itchen waterfront and bridge. Mineral wharves, industrial areas and the football stadium lie to the north; new residential development to the west; and Ocean Village (residential / leisure / marine) to the south. The site enjoys good pedestrian access into the city centre via Chapel Road.

- 9.3 About half the site was previously the Council's depot and household waste recycling centre. Both relocated in 2011 to the west of the city and the site is now vacant. However it contains 3 large storm water storage tanks. The remainder of the area consists of industrial uses and water sport activity clubs.

Land Interests

- 9.4 About 80% of the area is in the Council's freehold ownership. The former depot site has no other land interests. The remaining area has around 30 interests.

Planning Designations / Constraints

Within the site:

- Flood risk zone and flood defence search zone (Policy AP 15).
- Major site with housing element (Policy AP 9).
- Area of archaeological potential (Policy CS 14).
- New open space (Policy AP 13).

Adjacent to the site:

- Mineral wharves – safeguarded (see Minerals and Waste Plan).
- Central and Paget Street Industrial Estates – safeguarded (Policy AP 3).
- Strategic / green links (Policy AP12 and AP19).
- Listed buildings: Grade II*: Chapel Mills, American Wharf; Grade II: Quay Wall, American Wharf, Crosshouse (Policy CS 14)..
- Nationally protected mudflats directly adjacent to site (Local Plan Review Policy NE 5)..
- Internationally protected mudflats (opposite side of river) (Local Plan Review Policy NE 5).

Significant Planning History

- Use of industrial land for car parking on football match days.

- American Wharf (adjacent): conversion to offices / residential (23 dwellings), 'called in' and permitted by Secretary of State (09/00053).

Contribution to Plan's Overall Objectives and Development Targets

- 9.5 The site presents a key opportunity to regenerate and reconnect to the city centre's waterfront, linking with Ocean Village in the south and the potential longer term redevelopment of the wharves adjacent to the football stadium to the north.
- Housing – the SHLAA (2013) assumes that 500 dwellings will be completed on the Town Depot site (CC54) in 2022 – 2026 and from 2027 onwards.
 - Office - the Office Background Paper assumes no provision.
 - Retail - the Retail Background Paper assumes no provision.

Progress to Date

- 9.6 The Council has relocated its depot and household waste recycling facility to the west of the city (Dock Gate 20), creating a vacant site.
- 9.7 The site was marketed in 2011, specifically for a leisure / indoor ski concept. This was not progressed given the specific commercial issues associated with that use. The Council is remarketing the site in December 2013, for a mixed marine employment / residential scheme. It is anticipated the Council will select a preferred developer by November 2014.

Commercial Deliverability

Source of Assessment

- 9.8 The Council commissioned Montagu Evans (ME) to undertake a viability appraisal as part of the evidence for this Plan.

Scheme Tested

Option 1: Residential led:
 Residential – 690 units (town houses / apartments);
 Hotel – 4,500 sq m;
 Local retail, cafes, bars, restaurants – 5,000 sq m;
 Small scale employment – 2,200 sq m;

Waterfront public realm enhancements.

Option 2: Mixed use with marine (focussed on the vacant Council land):

Industrial / warehouse – 7,200 sq m (e.g. marine industry);

Offices – 1,800 sq m;

Residential – 350 units.

Assessment

- 9.9 The site presents a number of commercial opportunities: its waterfront location (which will add a premium to residential values), the ability to create public waterfront access and to link with Ocean Village (and in the longer term the redevelopment of the mineral wharves); an attractive pedestrian route into the city centre; good road access; historic buildings which create an attractive setting; the potential to introduce taller buildings; and a substantial part of the site which is vacant and in the Council's sole ownership. The waterfront location offers strong opportunities for residential uses, associated local retail uses, cafes, restaurants and bars. Significant other leisure uses are less likely (given the Watermark West Quay scheme) unless a water related leisure use emerges. Hotel uses are also less likely given the distance from the core business area, although there may be a demand for serviced apartments. The marine sector is a diverse but important part of the local economy. The site potentially enjoys access to the water for boats, although this would need to be assessed further in relation to the ecological impact on the mudflats. A potential marine use has already expressed an interest in a part of the site.
- 9.10 The storm tanks must be retained on the site, although it is understood they could be built over and the odours controlled. The area is likely to have high archaeological interest, and some contamination. The surrounding streets experience HGV movements, and public transport access is relatively poor (for a city centre location). The site is close to ecology designations. The site also experiences flood risk and will need to incorporate a flood defence, land raising and other safety measures.
- 9.11 A viability appraisal was undertaken for both development options.
- 9.12 The residential led option was based on a designed layout. This is indicative and would need to further consider the flood defence, storm tank and highway issues. The viability appraisal made cautious assumptions for costs (i.e. adding 20% for existing use values and including £2.5 million to acquire the Council land; allowing £5 million for flooding, contamination and abnormal construction costs; £3 million for archaeology; and £5 million for contingencies; and assuming all undercroft parking and the full affordable housing requirement). Values were based on current market conditions (i.e. suppressed due to the recession). On this basis the scheme delivers almost a 20%

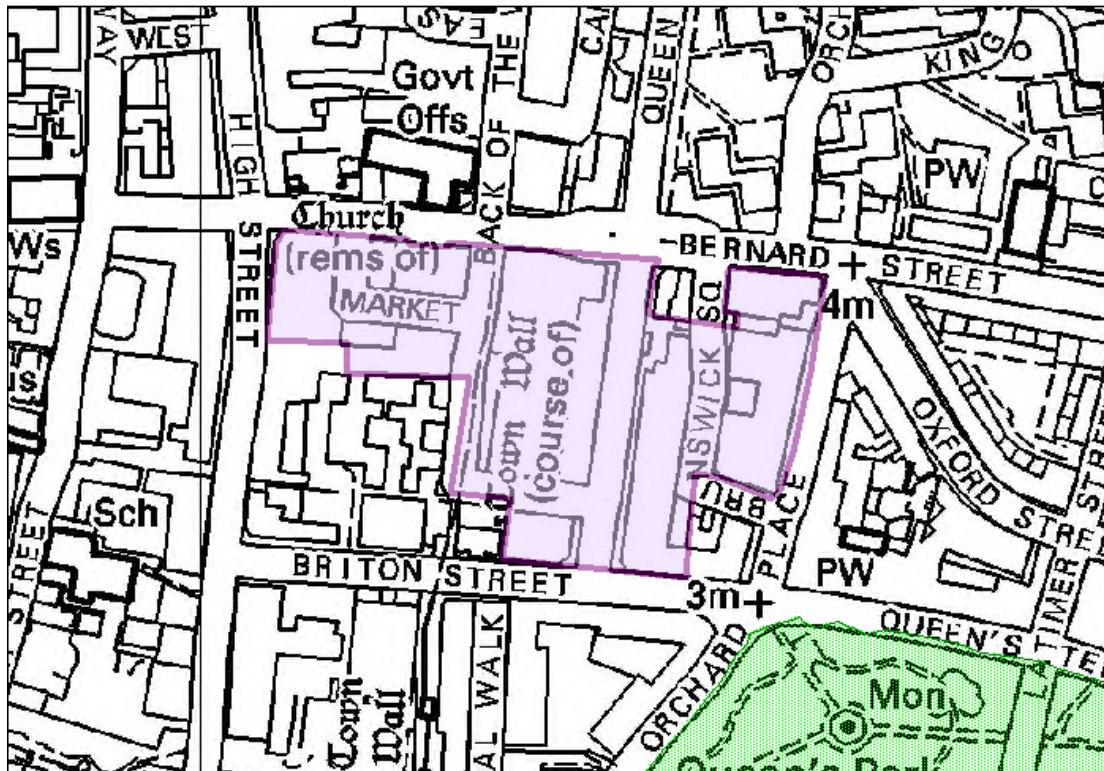
profit on cost. There is the potential for costs to reduce (or for public funding to assist); and a small rise in house prices would have a significant benefit to the profit margin. This demonstrates a good prospect of delivery provided the site's constraints can be overcome.

- 9.13 The mixed / marine option was based on development plot ratios. It used similar assumptions and also achieves a 20% profit on cost. There may be ways to reduce costs given the industrial nature of the scheme (e.g. less vulnerable to flood risk, less piling creating less archaeological disturbance, less remediation). The residential environment would still enjoy a riverside setting. It would be more isolated and potentially affected by neighbouring employment uses (depending on the type of employment), although careful design would help. The marine employment area would be visible from the main road routes and potentially benefit from riverside access, although this would need to be assessed further. Overall it is considered that there is a fair prospect of delivering this option, and it is worth exploring further. Additional public funding would also help.
- 9.14 The Plan's Habitat Regulations Assessment identifies a number of issues which will require mitigation:
- Mobilisation of contaminants: Designing construction methods to avoid water pollution.
 - Noise / vibration: Designing and timing construction methods to avoid disturbing salmon and birds at sensitive times.
 - Tall buildings: careful design (eg of glazing) to reduce the risk of bird collision.
- 9.15 These mitigation measures are all likely to be deliverable.

Conclusion

- 9.16 There is a reasonable prospect that the site will be delivered by 2026, particularly for housing and also potentially for a mixed marine industry / residential scheme.

10. FRUIT AND VEGETABLE MARKET



Policy Aim

- 10.1 Policy 28 – To promote a redevelopment which enhances the immediate area and the setting of surrounding heritage assets (including the re-identification of the line of the Town Walls), and helps to reconnect the shopping area with Oxford Street and the waterfront. Redevelopment will be residential led with a mix of office and small scale retail uses to create active frontages along the High Street and Bernard Street, and include appropriate open spaces.

Site Area

- 2.4 ha.

Site Context and Existing Uses

- 10.2 The site lies between the primary shopping area, Oxford Street and the waterfront at Ocean Village and Town Depot.
- 10.3 Main uses include warehouses for fruit and veg wholesalers; industrial units; a vacant nightclub; a small area of residential flats; and a small car park.

Land Interests

- 10.4 The Council owns much of the freehold but there are a significant number of different long leases (eg 40 years plus at fixed rent with no break clauses).

Planning Designations

Within the site:

- Archaeological remains (Policy CS 14).
- Flood risk - part (FCERM) (Policy AP 15, Policy CS23 and Local Plan Review Policy SDP 21).
- Industrial safeguarding (local plan). (This will be superseded by the CCAP allocation once adopted)
- Major site with housing element (Policy AP 9).
- Part of site within Evening Zone (Policy AP 8).

Adjacent to the site:

- Conservation area (Policy CS 14).
- Listed buildings: Grade II*: Red Lion Inn / Mediaeval Vaults; Holy Rood Church; Grade II: 6 – 8 St Michaels Street; High Street (56, 57 – 58, 123 – 124); The Globe Public House. (Policy CS 14).

Significant Planning History

- Orchard Place: continued use as car park for 3 years, permitted (10/00242/FUL).
- 2 - 8 Queensway: 28 flats, 10 houses, 132 sq m of commercial space, permitted (12/01262/FUL).

Contribution to Plan's Overall Objectives and Development Targets

- 10.5 Development of the site will enhance strategic link 6 connecting the primary shopping area to Oxford Street and the waterfront at Ocean Village and Town Depot.

- Housing – The SHLAA (2013) assumes that 240 dwellings will be completed on the Fruit and Veg site (CC10) between 2012 and 2022.
- Office – the Office Background Paper assumes no provision.
- Retail – the Retail Background Paper assumes no provision.

Progress to Date

- 10.6 The Council commissioned a viability appraisal by Knight Frank in 2009. Two housing associations are working up schemes, one of which has planning permission. A developer (Hampshire and Regional Property Group) is working with key land interests, seeking to assemble a comprehensive redevelopment site.

Commercial Assessment

Source of Assessment

- 10.7 A commentary was prepared by the Council's Planning Policy and City Development teams.
- 10.8 A development appraisal was undertaken by Knight Frank, November 2009.

Scheme Tested

- 10.9 The Knight Frank appraisal assessed the following scheme:
- 10.10 Mixed use:
 Residential – 145 units;
 Student – 178 beds;
 Retail / commercial: small foodstore (743 sq m) and small units (816 sq m).
 The scheme tested was based on a development block established in a development brief prepared for the Council by Turleys.

Assessment

Knight Frank – 2009.

- 10.11 Knight Frank tested a mix of uses which reflected their view of the market conditions at that time, as follows. The site is in the old town and would be suitable for a good quality scheme appealing to the upper end of the market. There is an over supply of flats. A mix of house types is more likely to be developed. A hotel, offices and large food store are excluded (respectively because other schemes are being

developed elsewhere, there is no demand in this part of the city centre at present, or it is inappropriate in planning terms).

- 10.12 The cost of relocating existing occupiers will be substantial.
- 10.13 The development appraisal, with relocation costs, indicates that with a 10% uplift in values a scheme would be viable; and that with a 20% uplift in values a scheme would be viable with 25% affordable housing. Knight Frank considered there was significant uncertainty about when this uplift in values will be achieved but it certainly appears that a development scheme will be viable in the medium term.

Council Update – 2013.

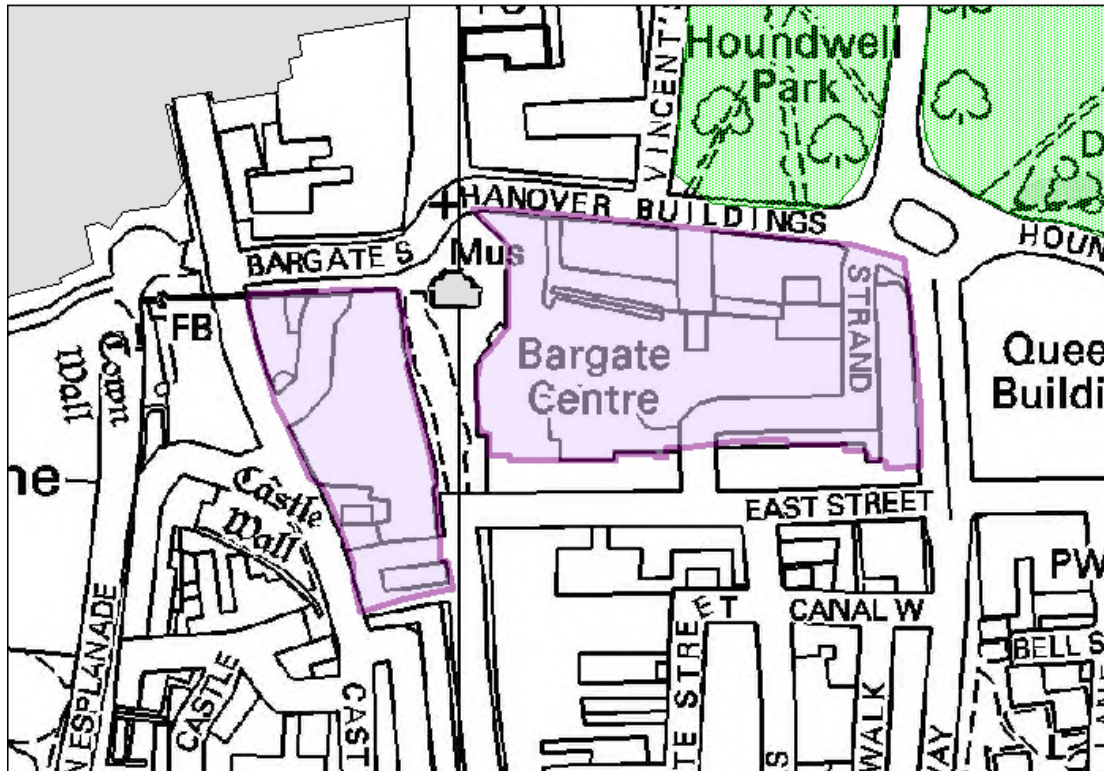
- 10.14 As at November 2013 there has been significant progress since Knight Frank undertook their assessment. On the basis of the two housing association schemes, and the land assembly activity of the potential developer (Hampshire and Regional Property Group), three phases of development can be envisaged.
- 10.15 Phase 1 - East of Queensway, which consists of:
- to south: Raglan housing association scheme at 2 – 8 Queensway (construction commenced November 2013).
 - to north (excluding Talbot Court): Radion housing association scheme at 10 – 12 Queensway. Hampshire and Regional Property Group are working with Radion. A planning application has been submitted.
- 10.16 Phase 2 - Between Queensway and Town Walls:
Phase 3 – Between Town Walls and High Street:
The Hampshire and Regional Property Group have signed an exclusivity agreement with the Council (as the freehold owner); a conditional purchase contract with all occupiers except one for whom an exclusivity agreement has been signed. The Total Produce site already includes an underground car park, which will benefit the viability of a scheme. Mac's 9 units have relocated to Nursling and are now vacant.
- 10.17 The Council and the Hampshire and Regional Property Group are preparing a development scheme which they intend to market in 2014.
- 10.18 The archaeological interest and cost is within the Town Walls, so relates to phase 3. This phase is therefore the most problematic commercially.
- 10.19 Phase 4 - Between Orchard Place and Brunswick Square. Occupied primarily by a plastics manufacturer and a car park. There is no progress on this site at present but this may change as phases 1 and 2 come forward.

10.20 A development will need to enhance the setting of the adjacent conservation area, and address flood risk. It should retain and re-identify the line of the Town Walls, which lie between phases 2 and 3 of development. Open spaces are likely to be created as shared spaces through a public realm enhancement of Queensway. These issues are not considered to pose any significant risks to delivery.

Conclusion

10.21 There is a good prospect that phases 1 and 2 will be delivered in the short to medium term, and these will transform Queensway and parts of Bernard Street (parts of strategic links 6 and 8 respectively).

11. BARGATE SITES



Policy Aim

- 11.1 Policy 29 – Retail led mixed use development will be promoted, including food and drink uses and on upper floors: residential, hotel, office and leisure uses. The setting of and public realm around the Town Walls will be improved. Pedestrian links should be improved. Development should enhance the setting of the Bargate, and restore the historic street pattern.

Site Area

- 2.4 ha.

Site Context and Existing Uses

- 11.2 The site lies in the primary shopping area close to the West Quay Shopping Centre, the Above Bar, East Street and High Street shopping streets. It is also close to other retail or leisure development sites, in particular Watermark West Quay to the west and East Street shopping centre to the east. The sites are adjacent to or bisected by the historic Bargate and Town Walls.

The existing uses are:

- Bargate shopping centre – vacant (1.2 ha).
- Hanover Buildings, east of High Street and Queensway frontage (shops). (0.6 ha).
- West of High Street frontage (shops). (East of Castle Way). (0.4 ha)
- Public conveniences / Shopmobility centre / rear service area. (0.2 ha).

Land Interests

- The shopping centre is in single ownership (currently the administrator).

Planning Designations / Constraints

Within the site:

- Primary Shopping Area, Primary and secondary shopping frontages (Policy AP 5).
- Old Town Conservation area (Policy CS 14).
- Evening Zone (Policy AP 8).
- Major sites with housing element (Policy AP 9).
- Green Grid Partial Green Links and indicative new open space (Policies AP 12 and AP 13)..
- Area of archaeological potential (Policy CS 14).
- Listed buildings: Grade I: Town Walls (Policy CS 14).

Adjacent to the site:

- Protected open space - Central Parks (Policy AP 12).
- Areas of flood risk to east (Policy AP 15).
- Listed buildings: Grade I: Bargate; Grade II: High Street (6, 165 – 168 Midland Bank, 171) (Policy CS 14).

Significant Planning History

- 21 – 22 Hanover Buildings: Redevelopment to 5 storey building (including 16 flats dwellings).
- A1 – A3 ground floor, permitted (12/00166/FUL).
- 23 – 25 Hanover Buildings: 13 dwellings, permitted.

Contribution to Plan's Overall Objectives and Development Targets

11.3 A redevelopment has the potential to open up the Town Walls, create a high quality public realm and shopping / leisure environment in the heart of the city centre next to the historic Bargate.

- Housing – the SHLAA (2013) assumes that 200 dwellings will be completed on “Land around Bargate” (CC 3) in 2022 – 2026; that 16 dwellings will be completed at 21 – 22 Hanover Buildings (CC 67) in 2012 – 2017; that 13 dwellings will be completed at 23 – 25 Hanover Buildings (CC25) in 2012 – 2017; and that 108 dwellings will be completed on East of Castle Way (CC 69) in 2022 – 2026.
- Office – the Office Background Paper assumes no provision.
- Retail – the Retail Background Paper assumes 5,000 sq m additional space will be delivered.

Bargate Shopping Centre / Hanover Buildings

Progress to Date

11.4 The City Centre Capacity Study (Donaldsons, 2007) provided an initial view, indicating potential (e.g. ‘marginal’) viability. A previous developer (Parkridge) was working up a redevelopment scheme which would have better integrated the site with the Town Walls. However the developer has entered administration. The centre is now vacant. The administrator is attempting to sell the site. A number of initial offers for redevelopment have been made, although these have not been taken forward. A proposal to refurbish the existing centre for low cost retail / business uses is currently being considered.

Commercial Deliverability

Source of Assessment

- 11.5 A commentary was prepared by the Council's Planning Policy and City Development teams.

Scheme Tested

- 11.6 Refurbishment or redevelopment

Assessment

- 11.7 The future of the centre is currently uncertain. It may be refurbished, or it may remain vacant for some time. The potential drivers for redevelopment would be to enhance values by creating an attractive retail / leisure environment by the Town Walls and Bargate. This would be aided by including a mix of other uses (eg residential). In the medium to longer term, particularly as the economy improves, a redevelopment proposal may come forward.

Conclusion

- 11.8 There is a possibility that the site could be redeveloped by 2026.

East of Castle Way

(also known as the West Quay Eastern Site)

Progress to Date

- 11.9 The Council has assessed some initial design options.

Commercial Deliverability

Source of Assessment

- 11.10 A commentary was prepared by the Council's Planning Policy and City Development teams.

Scheme Tested

- 11.11 Block redevelopment.

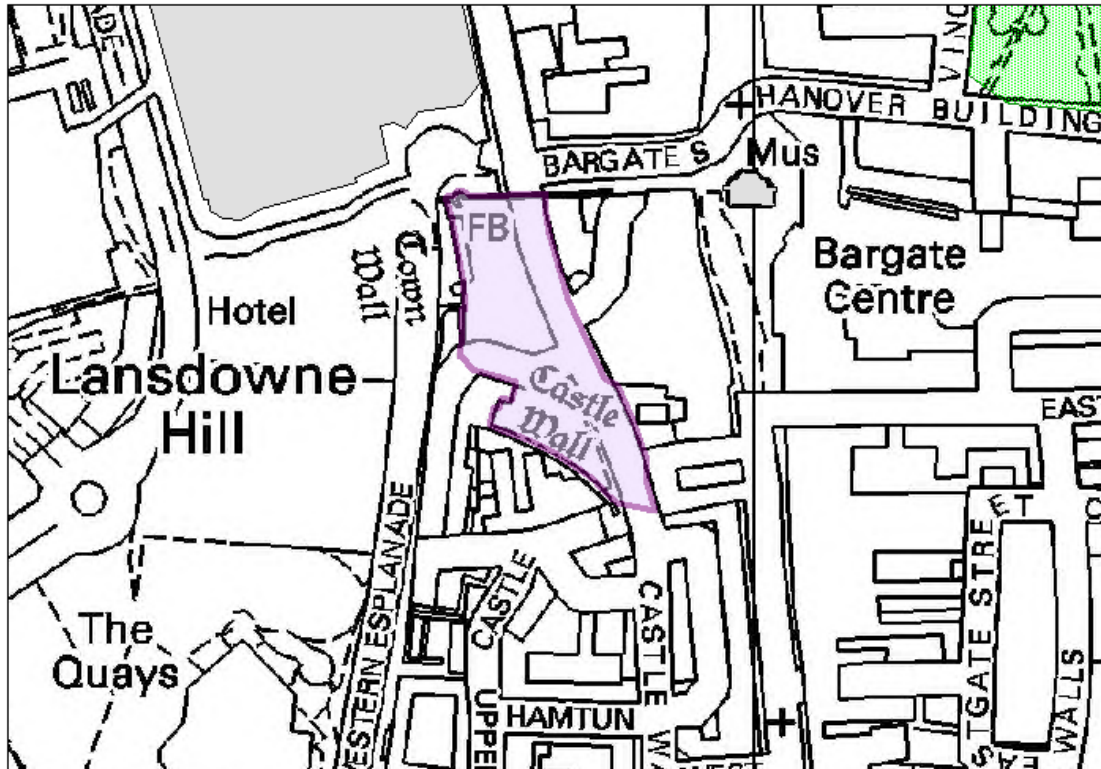
Assessment

11.12 The ground floor frontage to the High Street is occupied by major retailers (e.g. Tesco, Argos). The Southampton Solent University and a gym have recently taken leases. The area is unlikely to be redeveloped until the longer term once Watermark West Quay is developed, and potentially the Bargate shopping centre. However a redevelopment would strengthen the east – west retail link between these areas and the Morrisons proposal at the East Street Shopping Centre, and would significantly enhance the important Bargate / Town Walls area in the heart of the primary shopping area.

Conclusion

11.13 There is a possibility that the site could be redeveloped by 2026.

12. ALBION PLACE AND CASTLE WAY CAR PARKS



Policy Aim

- 12.1 Policy 30 – New public open space; retail / food / drink uses; a bus ‘super stop’. Development should improve the setting of the Town Walls, Castle Bailey and Old Town; and help create strategic links.

Site Area

- 0.4 ha.

Site Context and Existing Uses

- 12.2 The site is in a key position in the primary shopping area, at the top of the Town Walls and on the east – west retail link between Watermark West Quay / West Quay Shopping Centre, the Bargate and East Street / Morrisons.
- 12.3 The site is currently used as Council operated car parks.

Land Interests

- 12.4 Council owned.

Planning Designations / Constraints

Within the site:

- New open space (Policy AP 13).
- Strategic / green links (Policy AP 12 and AP19).
- Primary shopping area (Policy AP 5).
- Part of site at risk of flooding (Policy AP 15).
- Old Town Conservation Area (Policy CS 14).
- Area of archaeological potential (Policy CS 14).

Adjacent to the site:

- See Watermark West Quay and East of Castle Way
- Evening zone (Policy AP 8).
- Listed buildings: Grade I: Town Walls; Grade II*: Southampton castle wall; Grade II: Castle Way (Landsdowne House / Cerberus House, Former County Court) (Policy CS 14)..

Significant Planning History

None.

Contribution to Plan's Overall Objectives and Development Targets

12.5 The site has the potential to improve the public realm in the heart of the primary shopping area, linked to the Town Walls (with views to the waterfront) and adjacent to the Watermark development.

- Housing – the SHLAA (2013) assumes no provision.
- Office - the Office Background Paper assumes no provision.
- Retail - the Retail Background Paper assumes no provision.

Progress to Date

- 12.6 The site forms part of phase 2 of the Watermark West Quay development agreement. This means that a scheme needs to be prepared by Hammersons prior to phase 1 going 'unconditional' (eg consents in place, ready to commence).

Commercial Deliverability

Source of Assessment

- 12.7 A commentary was prepared by the Council's Planning Policy and City Development teams.

Scheme Tested

- 12.8 Open space.

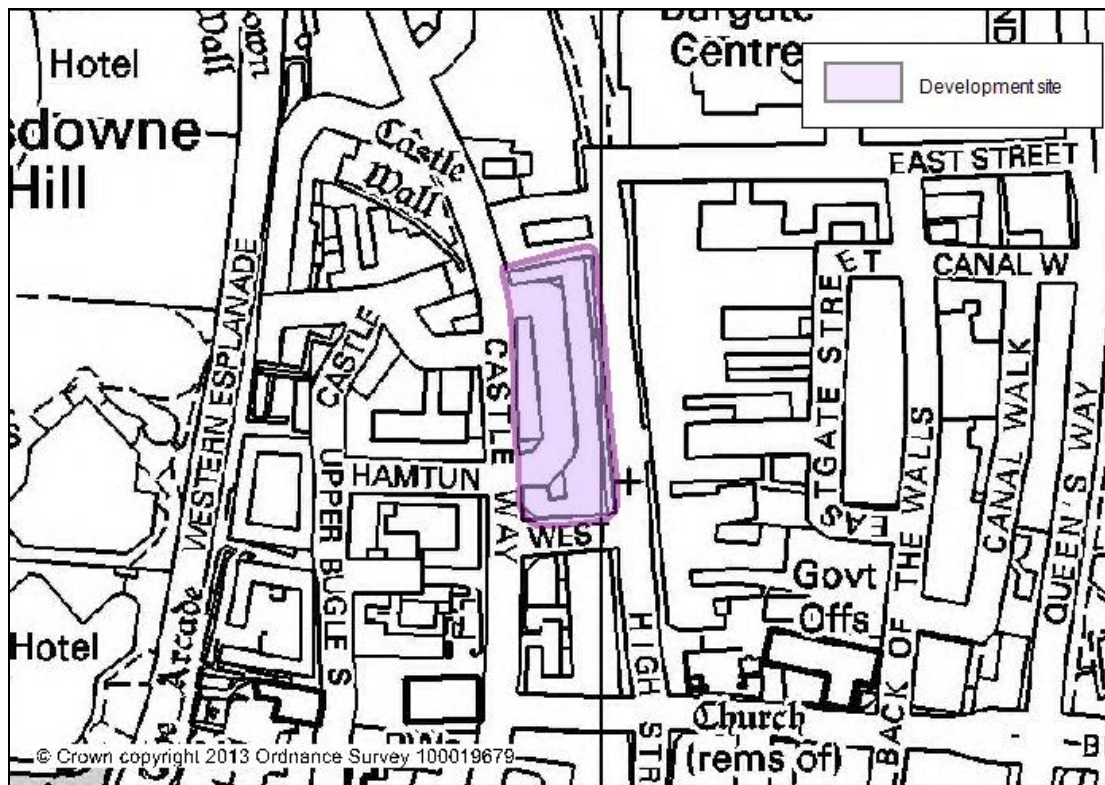
Assessment

- 12.9 A built development would require costly piling to ensure the adjacent Town Walls are not affected. Therefore in the current economic climate a scheme is likely to focus on the creation of public realm. This would be located at the top of the Town Walls, overlooking Watermark and wider vistas, and on the east – west retail link (eg Watermark, Bargate, Morrisons) so would be of considerable benefit. The original 'heads of terms' for a potential disposal of the site were agreed by the Council's Cabinet in 2007, so at that time the principle of losing the car parks was supported. It is possible this could be delayed, particularly in the short term to maintain revenues in a period of public sector finance restraint.

Conclusion

- 12.10 There is a reasonable prospect of delivering open space over the period to 2026.

13. 144 – 164 HIGH STREET



Policy Aim

- 13.1 Policy 31 – Retail uses on the ground floor with offices, residential and hotel uses above; enhancing the character of buildings on the High Street.

Site Area

- 0.4 ha.

Site Context and Existing Uses

- 13.2 The site consists of 1950s style buildings with limited visual appeal, situated on the QEII mile between the primary shopping area / Bargate and Royal Pier Waterfront.

Land Interests

- 13.3 The majority of the site is in the Council's freehold ownership.

Planning Designations / Constraints

Within site:

- Primary shopping area – secondary frontage (Policy AP 5).
- Evening Zone (Policy AP 8).
- Old Town Conservation Area (Policy CS 14).
- Major site with housing element (Policy AP 9).
- Area of archaeological potential (Policy CS 14).

Adjacent to the site:

- Listed Buildings: Grade II Star: Southampton castle walls; Grade II: Castle Way (Landsdowne House / Cerberus House, Former County Court); High Street (165 – 168 Midland Bank; Star Hotel; Dolphin Hotel; Lankester Vaults) (Policy CS14)..

Significant Planning History

- Gracechurch House, 25 – 35 Castle Way: Change of use to 84 bed hotel. (Conversion commenced in November 2013).

Contribution to the Plan's Overall Objectives and Development Targets

- 13.4 Development will enhance the QEII mile linking the primary shopping area with the Royal Pier Waterfront.
- The SHLAA (2013) assumes that 20 dwellings will be completed on the 144 – 164 High Street site (CC15) between 2022 – 2026.
 - Offices - the Office Background Paper assumes no provision.
 - Retail - the Retail Background Paper assumes no provision.

Progress to Date

- 13.5 Following the implementation of the QEII mile public realm enhancements, a number of the properties have been refurbished / enhanced.

Commercial Deliverability

Source of Assessment

- 13.6 A commentary was prepared by the Council's Planning Policy and City Development teams.

Scheme Tested

- 13.7 Block redevelopment.

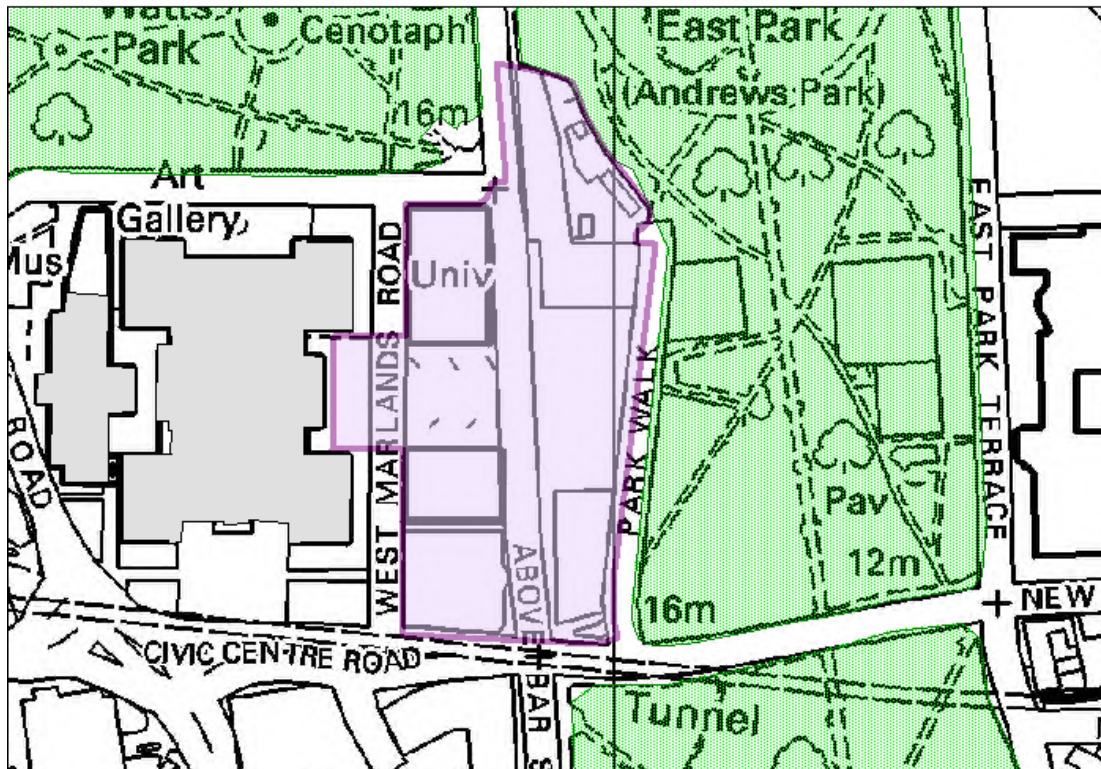
Assessment

- 13.8 The area is predominately in the Council's ownership. The middle part of the block is in one head lease. The block has recently undergone moderate enhancement. A significant redevelopment is likely to be in the longer term.

Conclusion

- 13.9 A redevelopment is more likely to occur in the longer term of the plan period.

14. NORTHERN ABOVE BAR



Policy Aim

- 14.1 Policy 32 - Development for cultural, leisure and small scale retail uses, with residential / office / hotel uses on upper floors, will be supported. Development should create connections to Andrews Park, a high quality frontage to the Guildhall Square and Andrews Park, including active frontages; and be of a scale and design compatible with the Guildhall and Civic Centre campanile.

Site Area

- 14.2 2.5 ha. (This includes the Arts Centre development – 0.2 ha; the area to the north of the arts centre – 0.7 ha; and the area to the south of the arts centre: 0.2 ha).

Site Context and Existing Uses

- 14.3 The site lies immediately to the north of the shopping area adjacent to the Guildhall, the new Guildhall Square and the central parks. The existing uses include a vacant cleared site (formerly Tyrell and Green) and mixed use retail / commercial development.

Land Interests

14.4 Council freehold. A mixture of long and short leaseholds.

Planning Designations / Constraints

Within the site:

- Office safeguarding (Policy AP 2)..
- Major site with housing element (Policy AP 9)..
- Safeguarded education site (Policy AP 11)..
- Evening zone (Policy AP 8).
- Transport improvements (Policy AP 18)..
- Area of archaeological potential (Policy CS 14)..
- Protected Open Space (Policy AP 12) and Green Grid Partial Green Links along southern boundary (Policy AP 12).

Adjacent to the site:

- Listed Buildings: Grade II*: Civic Centre (Policy CS 14)..
- Central Parks (Policy CS 21)..
- Primary Shopping Area (Policy AP 5)..

Significant Planning History

- Former C&A building – 6 storey building: B1 offices (7,262 sq m); A1 / A3 retail; permitted (08/00474/FUL).
- Tyrell and Green site: 10 storey art complex (2 auditoria, gallery space, etc), ground floor A1, A3, A4; 29 flats. Previous City Loft scheme: 9 – 18 storeys, arts centre / commercial uses, 282 flats, permitted (07/01686/FUL).

Contribution to Plan's Overall Objectives and Development Targets

14.5 Development will enhance the cultural offer of the city, the setting of and links to the parks, and the setting of the recently improved Guildhall Square.

- Housing – the SHLAA (2013) assumes that 29 dwellings will be completed on the Northern Above Bar site (CC36) in 2012 – 2017; and that 213 dwellings will be completed on the sites either side of Northern Above Bar (CC63) in 2022 – 2026.
- Office - the Office Background Paper assumes no provision.
- Retail - the Retail Background Paper assumes no provision.

Arts Centre

Progress to Date

- 14.6 One Guildhall Square (the redevelopment to offices of the former C&A building) and the major public realm enhancements at Guildhall Square have been completed.
- 14.7 The site was previously the Tyrell and Green (John Lewis) department store, which closed in 2000 when JL relocated to the West Quay Shopping Centre. Within the last few years the Council financed the demolition of the vacant building to help prepare the development site. An earlier scheme was not pursued due to the start of the recession. However the evolution of this scheme helped to develop the arts centre concept and the necessary Arts Council funding. A revised scheme is now at an advanced stage. A development agreement has been signed between the Council and the developer (Grosvenor). Planning permission has been granted for approximately 6,000 sq m of arts space (2 auditoria / performing arts centre), box office, a modern art gallery (John Hansard), media facilities / film making, 29 flats, 6 commercial units (mainly bars, etc). A resolution to grant a revised permission was made in mid which increases the residential units to 38 flats and is otherwise unchanged.
- 14.8 Site investigation work has commenced (see below).

Commercial Deliverability

Source of Assessment

- 14.9 A commentary was prepared by the Council's Planning Policy and City Development teams.

Scheme Tested

- 14.10 The latest planning applications

Assessment

14.11 This is a £21 million scheme. The Council and Grosvenor have a development agreement for the scheme. There are currently 3 funders for the scheme:

- The developer (Grosvenor), who are contributing to funding the development;
- The Arts Council, who are contributing £7.2 million to the fitting out of the arts centre;
- The Council, who are contributing in the region of £12 - 13 million to both the development and the fitting out. £2 million of this is being sought from local benefactors.

14.12 The scheme's costs have risen slightly. Site investigation work temporarily stopped whilst this was resolved. Grosvenor and the Council will increase funding, by £1 million in the latter case. In addition to having the funding in place, Grosvenor will be seeking prelets for the 6 commercial units. The development agreements explain that they will commence once a proportion of prelets have been achieved.

14.13 The anticipated timetable based on the revised planning application is:

- August 2013 – on site, finish investigation work.
- End October 2013 – construction commences. (This has now started).
- Late 2014 – development shell complete.
- Late 2015 – arts centre fit out complete.

Conclusion

14.14 The scheme is a specialist arts complex. There is a good prospect of delivery in the short term.

Area surrounding the Arts Centre.

14.15 This area includes:

- “South of the Arts Centre”:
- “North of the Arts Centre”

- “Square Balloon and surrounds”

Progress to Date

- 14.16 The Council has undertaken a high level viability appraisal of the “south of [and] “north of the arts centre” sites.

Commercial Deliverability

Source of Assessment

- 14.17 A commentary was prepared by the Council’s Planning Policy and City Development teams.
- 14.18 The Council’s high level viability assessment

Scheme Tested

- 14.19 Redevelopment with ground floor commercial.

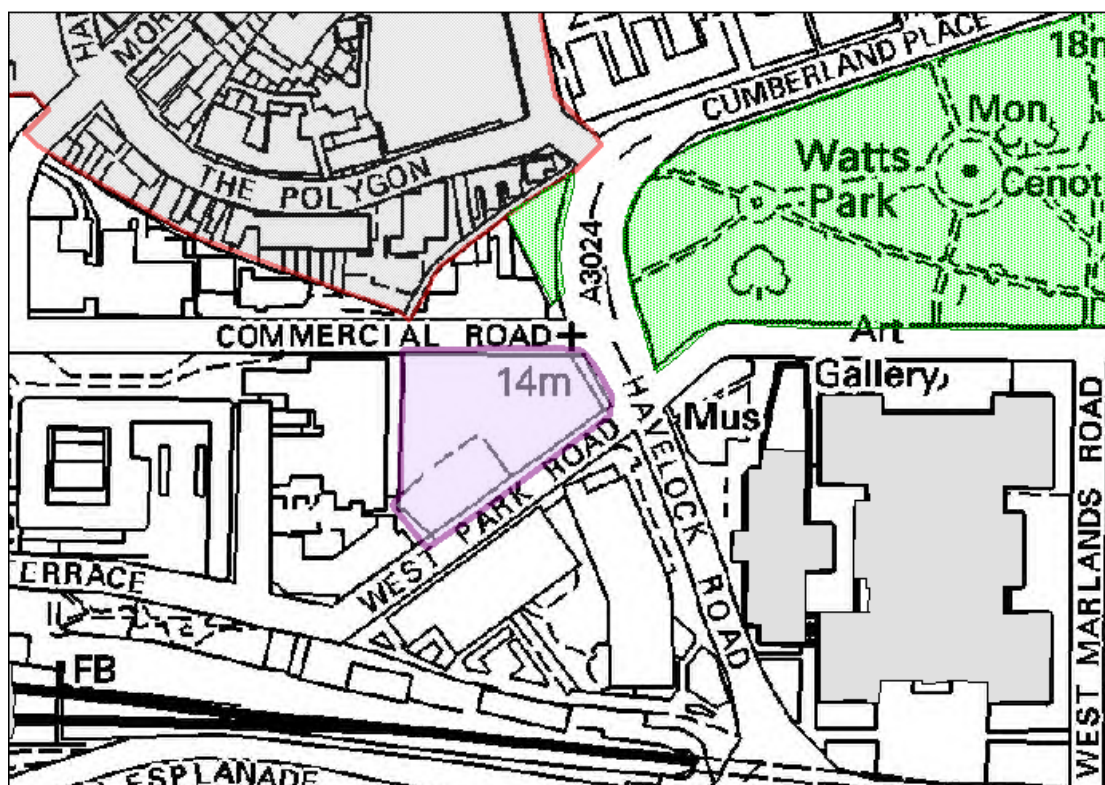
Assessment

- 14.20 Most of the units are in the Councils freehold although some have longer term leases (eg 30 – 40 years).
- 14.21 To the south of the arts centre, the area generally consists of 1950s style commercial units. Redevelopment is likely to be viable in the medium term on the southern two thirds of the site, which has fewer storeys and some vacant units (eg lower existing value), and more Council land interest. Alternatively proposals may come forward for refurbishment of all or part of the block. This would be appropriate where it improved the street frontage.
- 14.22 Immediately to the north of the arts centre is the ‘Frog and Parrott’ site. The ground floor is a pub. The upper floors are in the Council’s ownership and has been marketed to create innovation / creative industry and residential units. Bids have been received and an offer accepted (subject to contract and planning) based on an innovation centre. A planning application has now been submitted. To the north redevelopment is less likely to be viable. The block has less depth than to the south and most of the retail units are occupied (creating existing use values).
- 14.23 The Square Balloon is a nightclub which is likely to generate a good income stream. The shop units on Civic Centre Road have limited depth so are generally zone A rents and generate a good income stream. The area is unlikely to be redeveloped.

Conclusion

14.24 There is a reasonable prospect that part of the area will be redeveloped by 2026. Other areas are likely to remain in situ.

15. MAYFLOWER PLAZA



Policy Aim

- 15.1 This allocation has been deleted from the Plan on the basis that a scheme is now under construction.

Site Area

- 0.5 ha.

Site Context and Existing Uses

- 15.2 The site lies close to the Central Station and Mayflower Theatre. The site is cleared and has been vacant for a number of years.

Planning Designations / Constraints

Within the site:

- None

Adjacent to the site:

- Listed Buildings: Grade II: Mayflower theatre.

Significant Planning History

- 15 storey building with 180 flats; 8 storey offices (13,129 sq m), permitted (08/00149/FUL).
- Student accommodation: 1,104 study bedrooms and ground floor commercial uses, permitted (12/00675).

Contribution to Plan's Overall Objectives and Development Targets

15.3 Development will focus more development close to the Central Station and enhance the setting of the Central Parks.

- Housing – the SHLAA (2013) assumes that 197 dwellings will be completed on the Mayflower Halls site (CC35) in 2012 – 2017.
- Office - the Office Background Paper assumes no provision.
- Retail - the Retail Background Paper assumes no provision.

Progress to Date

15.4 The adjacent Gantry site was developed as a housing association scheme in 2011; and the Mayflower Theatre has recently been extended.

Commercial Deliverability

Scheme Tested

15.5 Student accommodation with commercial ground floor uses.

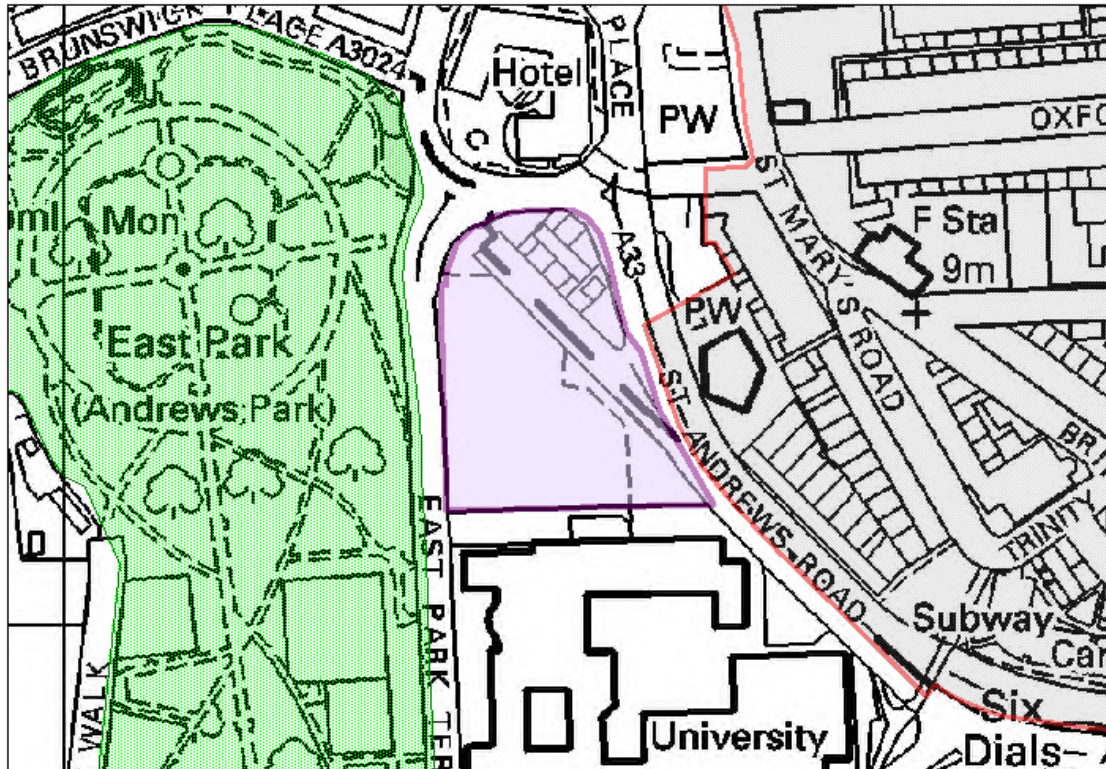
Assessment

15.6 This scheme is currently under construction.

Conclusion

15.7 The scheme is deliverable in the short term.

16. EAST PARK TERRACE



Policy Aim

- 16.1 Policy 33 – Development will create a strong architectural statement to enhance the setting of the parks, and promote the opportunity for University expansion. Other uses could include offices, residential, hotel, community uses and media / arts facilities.

Site Area

- 1.2 ha.

Site Context and Existing Uses

- 16.2 The allocation site previously contained the Central Health Clinic, Ambulance Station and 7 dwelling units. All have been demolished and the site is now cleared.
- 16.3 The site immediately to the south is the existing Southampton Solent University (SSU) campus. SSU also have other campuses in the Southampton area, notably the Warsash Marine Academy (merchant navy training).

Land Interests

16.4 The site is owned by SSU.

Planning Designations / Constraints

Within the site:

- Area of archaeological potential (Policy CS 14).
- New office location (Policy AP 1).
- Tall buildings cluster (Policy AP 17).

Adjacent to the site:

- Listed buildings: Grade II: 2 New Street (Policy CS 14).
- Tree Preservation Orders: There is one TPO on the eastern edge of the site.
- Safeguarded office areas (Policy AP 2).

Significant Planning History

- 21 storey hotel; 11 storey apart hotel; 225 apartments (14 storey); 12 storey offices, permitted (06/01457/FUL).

Contribution to Plan's Overall Objectives and Development Targets

16.5 The site has the potential to accommodate an expansion to the University, and enhance the setting of the parks.

- Housing – the SHLAA (2013) assumes that 100 dwellings will be completed on the East Park Terrace site (CC48) from 2027 onwards.
- Office – the Office Background Paper assumes no provision.
- Retail – the Retail Background Paper assumes no provision.

Progress to Date

16.6 SSU and the Council's City Development and Planning teams have been in dialogue regarding development options. SSU are now undertaking detailed design work for phase 1.

Commercial Deliverability

Source of Assessment

- 16.7 A commentary was prepared by the Council's Planning Policy and City Development teams.

Scheme Tested

- 16.8 Southampton Solent University (SSU) have considered a range of development options. They are pursuing an option which focuses on rationalising their existing campus and slightly extending to the north into the development allocation. This retains the rest of the allocation for possible future University expansion or as a valuable development asset.
- 16.9 Phase 1 – A new teaching block (9,250 sq m) immediately to the north of the existing campus, crossing into a small area within the southern part of the development allocation.
- 16.10 Phase 2 - Phase 1 enables the demolition of the Herbert Collins block on the eastern side of the existing campus. This would be replaced by a new sports "centre of excellence". Phase 2 will also include a new glass façade / main entrance to the SSU on East Park Terrace, the enhancement of existing buildings, and the demolition of the Christopher Cockerell building to provide additional car parking.

Assessment

- 16.11 Phase 1 – Detailed design work is under way. A planning application was received in October 2013, with the development completed by the end of 2015. The likely cost is £20 million.
- 16.12 Phase 2 – The timescale is uncertain at present. The likely cost for the demolition of the Herbert Collins building / construction of the sports centre is £10 million; and for the remaining enhancements is £5 million.
- 16.13 SSU consider they are likely to have funding in place for all these improvements. The main drivers for the development are to attract and retain students (and hence fees) by enhancing facilities; and demolishing older inefficient buildings (to reduce costs).
- 16.14 These developments leave a large proportion of the site allocation available for other uses. Possible uses could include a further consolidation or expansion of the University; further student accommodation (a number of leases relating to existing SSU

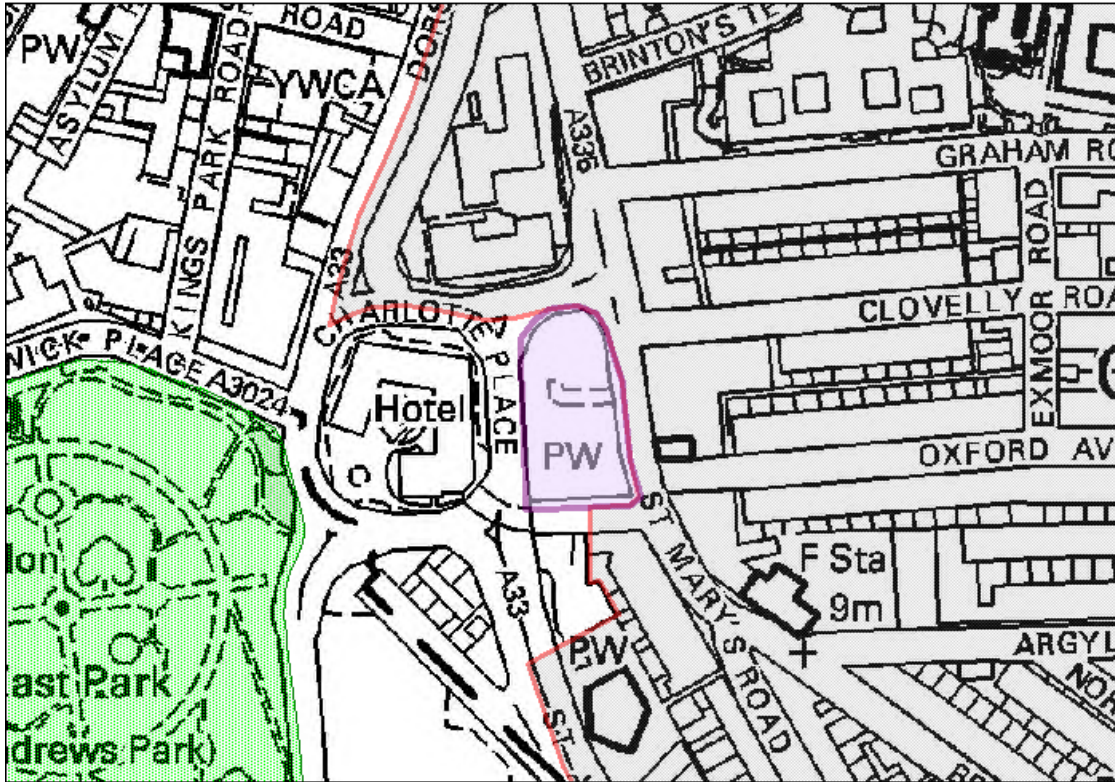
accommodation run out in 2018); marketing the site for general mixed use development; or a mixture of these.

16.15 The site incorporates a drop in levels. It is in a prominent site, is adjacent to the park, cleared and in single ownership.

Conclusion

16.16 A small part of the site allocation will accommodate phase 1 of the SSU development. The timing for developing the remainder of the site is likely to depend on further consideration by SSU of their needs. However there is a reasonable prospect the site can be delivered by 2026.

17. ST MARY'S ROAD



Policy Aim

- 17.1 Policy 34 – To bring forward the site for development. A range of different uses would be supported: residential, student accommodation, offices, sport and leisure, education / University, hotel, community uses, small scale food and drink.

Site Area

- 0.3 ha.

Site Context and Existing Uses

- 17.2 The site is cleared and vacant.

Land Interests

- 17.3 The Council own the freehold of the site.

Planning Designations / Constraints

Within the site:

- Major site with housing element (Policy AP 9).
- Tall Buildings Cluster (Policy AP 17).
- Area of archaeological potential (Policy CS 14).

Adjacent to the site:

- Transport improvements (Policy AP 18).
- Safeguarded office area (Policy AP 2).

Significant Planning History

- Student accommodation: 696 bed spaces with ground floor commercial uses (12/015251/FUL). A resolution to permit the scheme has been passed, subject to securing a section 106 agreement.

Contribution to Plan's Overall Objectives and Development Targets

- Housing – 148 units identified in SHLAA (2013). (The planning permission is for 154 units)
- Office - the Office Background Paper assumes no provision.
- Retail - the Retail Background Paper assumes no provision. (The planning permission includes 650 sq m).

Progress to Date

- Resolution to grant planning permission.

Commercial Deliverability

Source of Assessment

- 17.4 A commentary was prepared by the Council's Planning Policy and City Development teams and agreed with the developer, Bouygues Developments.

Scheme Tested

- 17.5 Planning application scheme.

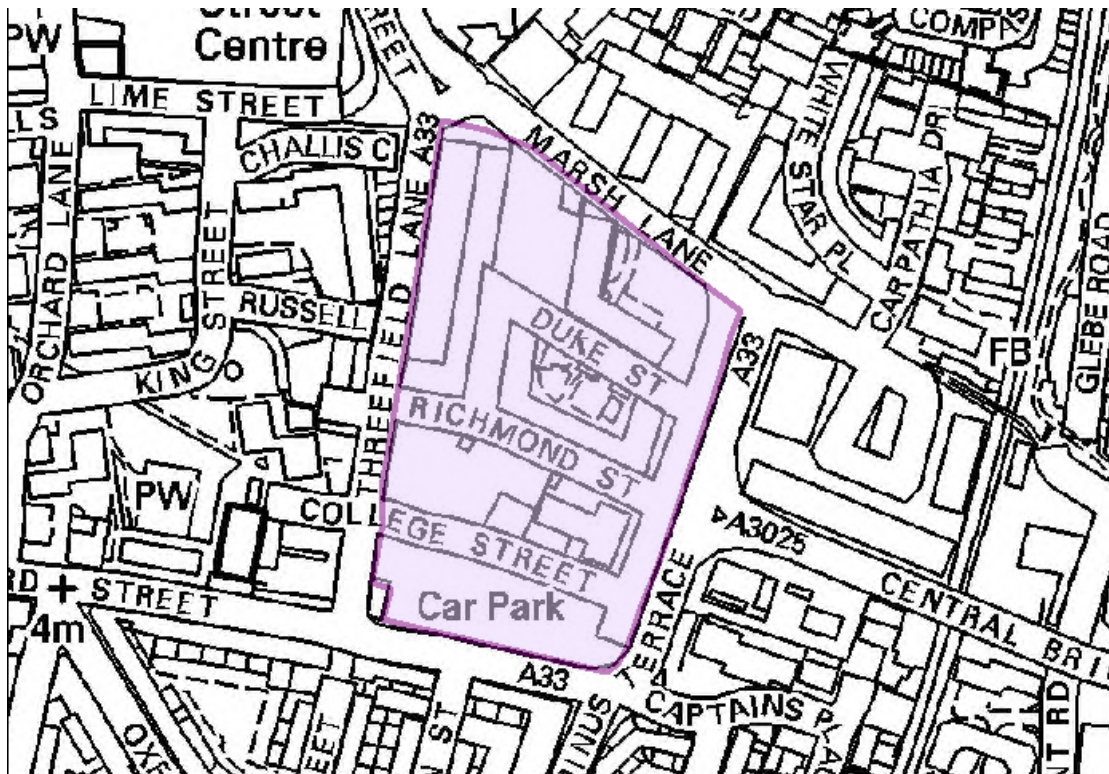
Assessment

- 17.6 Bouygues Developments have achieved a resolution to grant planning permission for student accommodation. They have a development agreement with the Council to develop the site within a fixed period.
- 17.7 The site is level, cleared and in single ownership.

Conclusion

- 17.8 There is a good prospect the scheme will be delivered in the short term.

18. DUKE STREET, RICHMOND STREET AND COLLEGE STREET



Policy Aim

- 18.1 Policy 35 - To promote mixed use residential / office / hotel and small scale retail development, with active frontages along Bernard Street and Threefield Lane, and respect the setting of the adjacent conservation area and listed buildings. An appropriate level of existing offices should be retained.

Site Area

- 2.6 ha.

Existing Uses

- College Street surface level car park (0.5 ha).
- Empress Heights residential led development (recently completed) (0.2 ha).
- 1960s / 70s / 80s office blocks (Oxford House, Richmond House, Dukes Keep, Wessex House, Threefield House), Liberty Quays student housing block (1.9 ha).

Land Interests

- College Street Car Park (168 spaces) – owned and operated by the Council.
- Empress Heights site – developed by Crest Nicholson.
- Oxford House – freehold: Queens College; long lease: Lainstone Homes
- Richmond House – freehold: Brookhurst Properties; 7 leaseholds

Planning Designations / Constraints

Within the site:

- Flood risk zones 2 and 3 (Policy AP 15, Policy CS23 and Local Plan Review Policy SDP 21).
- Safeguarded office area (Policy AP 2).
- Mixed use development including housing units (Policy AP 9).
- Area of archaeological potential (Policy CS 14).
- Protection of strategic views to St Michael's Church Spire (Policy AP 16).
- Tall Buildings Cluster (Policy AP 17).

Adjacent to the site:

- Listed buildings: Grade II: Bernard Street (115, 129); Central Bridge (Policy CS 14).
- Indicative transport schemes on road network surrounding the site (Policy AP 18).
- Strategic links across north of site (Policy AP 19).
- Old Town Conservation Area (Policy CS 14).
- Tree preservation orders: There are TPOs on Marsh Lane on the northern edge of the site.

Significant Planning History

- Oxford House, College Street: Redevelopment to 9 / 12 storey building: 63 flats, 1,138 sq m offices, refused (10/00230/OUT).
- 20 – 26 College Street, 29 – 35 Richmond Street (& additional flats replacing 491 sq m offices - 10/00521/MMA)
- Richmond House conversion to student housing; 40 flats (11/01839/FUL)

Contribution to Plan's Overall Objectives and Development Targets

18.2 Development can, together with the Fruit and Veg site, help enhance the links from the primary shopping area towards Oxford Street and the waterfront at Ocean Village / Town Depot.

- Housing – the SHLAA (2013) assumes that 97 dwellings will be completed on the College Street / Richmond street site (CC47) in 2012 – 2017; that 40 dwellings will be completed at Richmond House (CC56) in 2012 – 2017; that 25 dwellings will be completed on the car park adjacent to 14 – 18 College Street (CC55) in 2017 – 2022; and that 80 dwellings will be completed on the College Street car park site (CC12) in 2022 – 2026;
- Office – The Plan identifies the area as a secondary office safeguarding area. The Plan's target is for an additional gain of 110,000 sq m. The offices background paper makes an allowance for a loss of some older offices. Any loss above this would affect the overall target.
- Retail – the Retail Background Paper assumes no provision.

Progress to Date

- Crest Nicholson have recently completed a residential led scheme (College St / Richmond St).
- Conditional approval to convert Richmond House for student accommodation

Commercial Deliverability

Source of Assessment

18.3 Land at College Street, Southampton, Savills, September 2008

- 18.4 A commentary was prepared by the Council's Planning Policy and City Development teams.

Scheme Tested

- 18.5 Savills assessed the area including the College Street car park, the former warehouse site, Oxford House and Richmond House. They did not assess the Dukes Keep area to the north.
- 18.6 Savills tested a range of development scenarios. One focussed solely on the College Street car park site and included 22 apartments in a 3 or 4 storey development; a 5 storey multi storey car park; and 2,352 sq m of commercial development 'wrapped around' the multi storey car park. One included all the landownerships, included a similar development format to the above, with a total of 68 apartments, and also included a 98 bed hotel. The remaining two scenarios focussed on variations of the above.

Assessment

Savills:

- 18.7 Savills' general commercial view of the market at that time was that there was an over supply of residential apartments; unlikely to be a demand for a further hotel (if the permitted schemes are developed); and that the site is not perceived to be a good office location.
- 18.8 The development appraisal for each development scenario produced a positive land value under market conditions at that time. This excluded the costs of constructing the multi-storey car park (assumed to be £10,000 per space which would be £1.68 million for a 168 space car park). The car park produces a revenue for the Council so it is assumed that the Council would fund the construction of the multi storey car park. Nevertheless if this cost were included the land values would still be positive.
- 18.9 Savills explained that it was difficult to appraise the scheme in the market conditions at that time. Given that the site can come forward in discreet blocks it will be difficult to achieve 'marriage value' from pursuing a comprehensive scheme. However such a scheme would be likely to improve values and density (eg with a road closure).

Council officers:

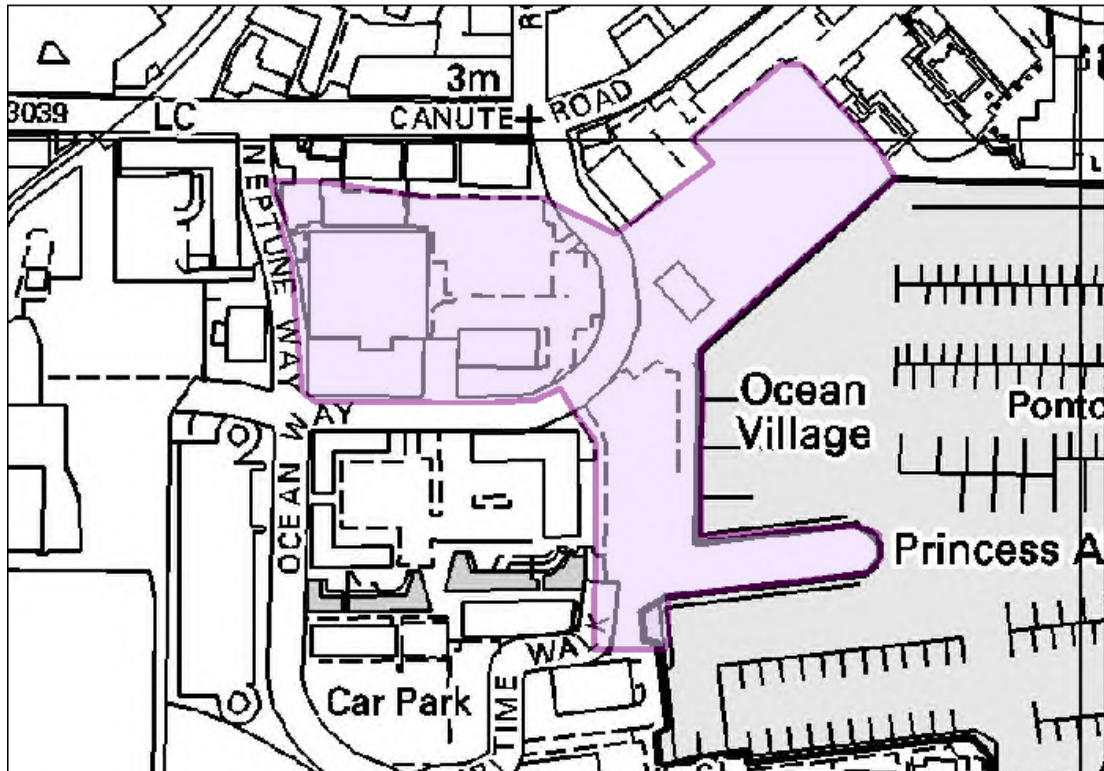
- 18.10 The Savills assessment was undertaken during the economic recession. It was able to demonstrate in broad terms the potential for delivery within that context, and this would improve as economic growth returns. The College Street site is clearly a potential development site. The main issue to address is the Council's approach

to the car park. The car park is generally only 50% occupied (though this increases to 100% on football match days). The surrounding 120 on street spaces are only 10% used. The Council's Parking Services team are mindful that car park usage might rise in the future (eg with more residential development). If the Council wished to maintain the car park capacity and potential future revenue, it would need to be re-provided on site in a multi storey format. The Central Station feasibility study suggests the capital cost would be significant (eg £16,000 - £17,000 per space).

Conclusion

- 18.11 There is a reasonable prospect of delivery on a phased basis over the period to 2026.

19. OCEAN VILLAGE



(Proposed amendment: development site to focus on 'The Promontory'; development policy to cover whole Quarter).

Policy Aim

- 19.1 Policy 36 – Development to enhance Ocean Village as a high quality waterfront destination, with a mix of residential, employment, leisure, hotel and ancillary retail uses. Development should create active frontages, create public access to the waterfront, respect heritage assets, and achieve appropriate safety in relation to flood risk, incorporating a flood defence.

Site Area

- Admirals Quay and Promontory Site: 1.1 ha

Surrounding Context and Existing Uses

- 19.2 The wider Ocean Village area was released from Port use in the 1980s and was redeveloped for residential, cinemas, offices, and a shopping / leisure centre. The latter fell vacant and is currently being redeveloped. There have also been a number of other recent developments. The remaining undeveloped area is the Promontory site. The Ocean Village area is adjacent to the Port and Oceanography Centre, and close to Town Depot, Oxford Street and Queens Park.

Land Interests

- MDL and others.

Planning Designations / Constraints

Within the site:

- Existing office locations (Policy AP 2).
- Flood risk (Policy AP 15, Policy 23 and Local Plan Review Policy SDP 21).
- Major site with housing element (Policy AP 9).
- Indicative new open space (Policy AP 13).
- Evening zone (Policy AP 8).
- Listed Buildings: Grade II: Dock basin walls (Policy CS 14).
- Area of archaeological potential (Policy CS 14).
- Tree preservation orders: There are TPOs in the car park east of Tesco.

Adjacent to the site:

- Operational port land (Policy CS 9).
- Industrial site (Policy AP 3).
- Conservation area (Policy CS 14).
- Listed Buildings: Grade II: Canute Road (Ferry House, Canute Chambers, Wight House, Provincial House) (Policy CS 14).

Significant Planning History

- Innovation Centre, permitted (06/01804/FUL).
- Admirals Quay: 9, 16, 26 storeys: 299 flats; A1, A3, A4 (2764 sq m), permitted (11/01555/FUL).

- Promontory site: 76 bed hotel; 94 dwellings; A1 – A5 / B1 (1,114 sq m), waterside public walkway and area of open space / public realm permitted (11/02000/FUL).
- New multi storey car park (776 spaces), permitted (06/00522/FUL).

Contribution to the Plan’s Overall Objectives and Development Targets

19.3 The ongoing redevelopment of the area is significantly enhancing one of the areas of the city centre with access to the waterfront.

- The SHLAA (2013) assumes that 299 dwellings will be completed at Admirals Quay (CC7) in 2012 – 2017; and that 94 dwellings will be completed at the Promontory (CC59) in 2012 – 2017.
- Office - the Office Background Paper assumes no provision.
- Retail - the Retail Background Paper assumes no provision.

Progress to Date

19.4 There have been a number of recent development:

- The former retail site is being redeveloped for residential led uses with ground floor bars, restaurants, etc, creating an attractive waterfront. Part is complete, and part is currently under construction (Admiral’s Quay).
- The construction of a multi storey car park (which enables further development, including of the surface car park within the Promontory site).
- A marine innovation centre with residential development.

Commercial Deliverability

Source of Assessment

19.5 A commentary was prepared by the Council’s Planning Policy team.

Scheme Tested

19.6 The current planning permission for the Promontory site.

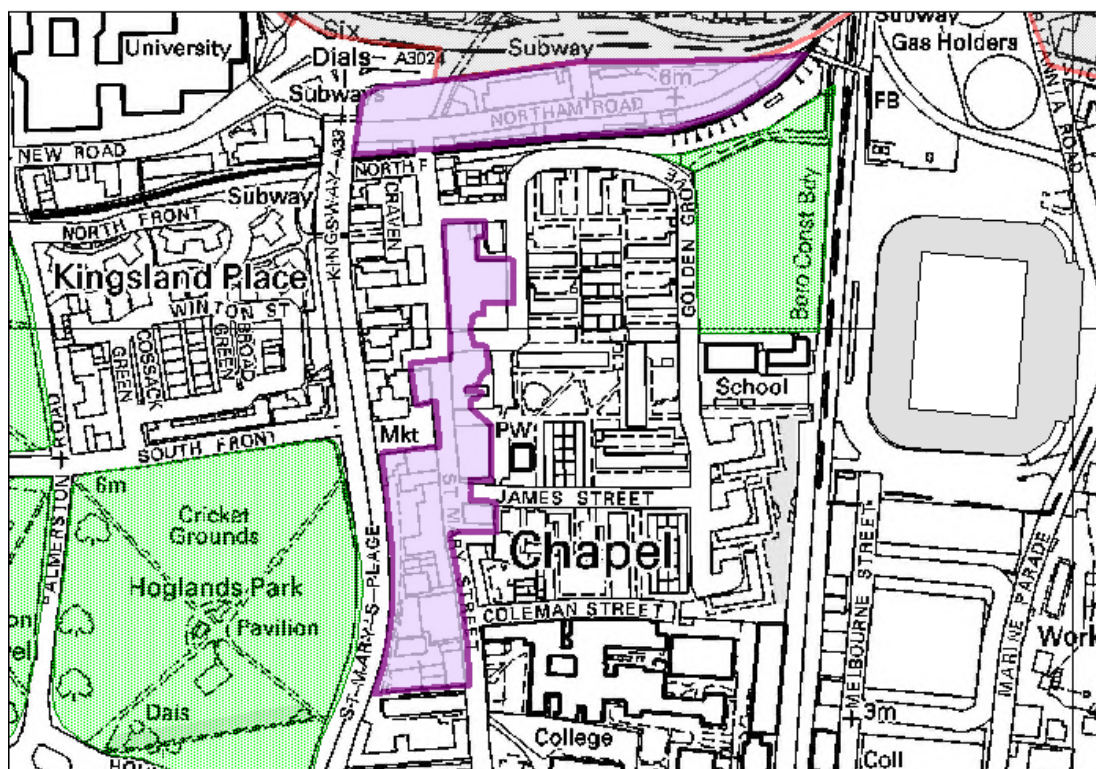
Assessment

- 19.7 The Promontory site proposal consists of a hotel (on the promontory itself), and residential / cafes / bars / public realm on the adjacent surface level car park. The applicant is seeking to finalise the section 106 agreement with a view to developing the hotel. The multi storey car park which enables the development of the surface level car park has been completed. It is considered likely that the residential / cafes / bars / public realm will follow the hotel and the completion of Admiral's Quay.
- 19.8 The Plan's Habitat Regulations Assessment identifies a number of issues which will require mitigation:
- Mobilisation of contaminants: Designing construction methods to avoid water pollution.
 - Noise / vibration: Designing and timing construction methods to avoid disturbing salmon and birds at sensitive times.
 - Tall buildings: careful design (e.g. of glazing) to reduce the risk of bird collision.
- 19.9 These mitigation measures are all likely to be deliverable. In any case the resolution to grant planning permission has been secured.

Conclusion

- 19.10 There is a good prospect that the site will be developed in the short term.

20. ST MARY STREET AND NORTHAM ROAD



Policy Aim

- 20.1 Policy 37 – Development proposals will sustain and enhance these streets by respecting the character of the area; seeking enhancements to the environment and links to the parks / city centre; promoting residential uses on upper floors; in the St. Marys Street shopping area and Northam Road supporting retail / community uses on the ground floor.

Site Context and Existing Uses

- 20.2 These streets lie on the eastern side of the city centre, and are an important focus for the surrounding residential communities. They are commercial streets with a mix of local and specialist shops, a market on Kingsland Square, food and drink uses, small scale offices and services. They also include St Marys Church, the City College, St Marys Primary School, community buildings and residential uses.

Planning Designations / Constraints

Within the site:

- Housing allocation (Policy AP 9).

- Secondary shopping frontage (Policy AP 5).
- Listed Buildings: St Marys Church, St Marys Hall, part of Southampton City College (Policy CS 14).

Adjacent to the site:

- Transport improvements (Policy AP 18).
- Safeguarded education site (Policy AP 11).
- Halls of residence (Local Plan Review Policy H14).
- Strategic / green links (Policies AP 12 and AP19).
- Protected open space (Policy AP 12).

Contribution to Plan’s Overall Objectives and Development Targets

20.3 Enhancement of the area and linkages to the city centre will support and better reconnect priority neighbourhoods to the city centre.

- Housing: the SHLAA (2013) assumes that the following sites will be delivered in 2012 – 2017: 69 – 72 St Marys Street – 13 dwellings (CC28); 101 – 119 St Marys Street – 58 dwellings (CC29); land adjacent to 2 Northam Road – 14 dwellings (CC30); 54 – 56 St Marys Street – 14 dwellings (CC52); that the following site will be delivered in 2017 – 2022: 59 – 61 St Marys Street – 12 dwellings (CC61); and that the following site will be delivered post 2026: the car park at Old Northam Road – 36 dwellings (CC62).
- Office - the Office Background Paper assumes no provision.
- Retail - the Retail Background Paper assumes no provision.

Recent Progress / Commercial Deliverability

20.4 Part of Bevois and Bargate area which received £26m SRB 2 grant funding in late 1990s and early 2000s. Bevois and Bargate also identified as a Priority Neighbourhood in the City Council’s Local Neighbourhood Renewal Strategy (2006-2010)

20.5 In 2012, city council funding of £138,000 was approved for the restoration of the derelict buildings on Northam Road in a number of

phases with Grays Developments committing to invest an additional £1.4m. Work has begun with public realm improvements, planning permission recently been granted for a three-storey extension to the rear of 10-10a Northam Road (a derelict building) in order to stabilise the building.

- 20.6 Northam Road received High Street Renewal Award of £88,657 in May 2013 to support progress revitalising high streets

Conclusion

- 20.7 There is a reasonable prospect that ongoing enhancement of the area will continue through the plan period

21. KEY INFRASTRUCTURE AND FUNDING SOURCES.

Introduction

- 21.1 The implementation of the City Centre Action Plan relates to the delivery of strategic infrastructure, covering transport (including strategic pedestrian links), flood defences, open spaces / green links, education, energy, and water / waste water facilities. This infrastructure will help achieve the Plan's themes: a great place for businesses, to visit and live; a greener centre; attractive and distinctive; and easy to get about. It will also encourage investment in development sites.
- 21.2 The city centre is an established place with existing infrastructure. However in the medium to longer term the delivery of infrastructure is of importance to delivering development and achieving the type of city centre envisaged by the Plan.
- 21.3 This section sets out, expanding on pages 171 to 180 of the CCAP, the deliverability of this infrastructure. This depends on the availability of funding (general and specific), and the ability to implement the infrastructure 'on the ground'.

General Funding Sources

Government Spending Review 2013

- 21.4 Whilst the public sector is undergoing significant cutbacks, capital spending is being broadly maintained. Public sector capital investment in 2013 / 14 was £47.2 billion and in 2014 / 15 will be £50.4 billion.
- 21.5 The 2013 spending review sets out investment plans for the next Parliament (2015 – 2020), with a particular focus on 2015 / 16. In that year public sector capital investment will be £50 billion, only a slight fall from the preceding year of 1.7% in real terms. Total capital investment over the Parliament will be £300 billion. The 2013 review committed £100 billion of this to specific projects or areas.
- 21.6 Transport. By 2020 / 21 capital investment on major road schemes will be 3 times current levels. The review commits £70 billion to specific projects (subject to completing the detailed business and feasibility case). This includes funding additional motorway lanes (eg 'hard shoulder' running / managed motorways) on the M3 and M27 in South Hampshire. The Government is supporting £9 billion of investment by Network Rail from 2014 - 2019, including the electrification of the line from the south coast ports to the Midlands and the north.

- 21.7 Flood Defences. The 2010 spending round protected capital investment in flood defences relative to other measures. 165,000 households have benefited from improved flood defences between 2010 – 15. The 2013 review increases capital investment in flood defences to £370 million per annum, an 18% increase on the 2010 – 15 period. It also, for the first time, provides a long term settlement for flood defences, with a commitment to protect 2015 / 16 spending in real terms to 2020 / 21. This equates to £2.3 billion investment over that period, to promote greater protection for an additional 300,000 households. The Government has also established with the industry a basis for affordable insurance for home owners in flood risk areas.
- 21.8 Housing. The 2013 spending review commits £5.1 billion (2015 – 2018) to support investment in housing, including £3.3 billion of additional funding for 165,000 affordable homes. The Government is also providing from 2013 - 2016 £1 billion of loan finance for new private sector rented dwellings, and £3.7 billion for the 'Help to Buy' scheme.
- 21.9 Education. The 2010 spending round committed £18 billion of capital investment from 2010 - 2015 to fund the need to provide 400,000 new places as a result of demographic changes. The 2013 spending review commits £21 billion of capital investment to fund 520,000 new places (275,000 primary and 245,000 secondary).

Solent Local Enterprise Partnership

- 21.10 The LEP is made up of representatives from strategic businesses and local government. It will produce a strategic economic plan by March 2014, for the period 2015 – 2021. This will enable EU, Government and other public / private funds to be aligned; and to devolve funding decisions and other powers to the LEP.
- 21.11 On the basis of these plans, the Government will negotiate with each LEP a "Growth Deal". These will include a share of the Single Local Growth Fund, and enable LEPs to ask for more freedoms and flexibilities.

Single Local Growth Fund

- 21.12 This will be allocated by Government to LEPs from April 2015, on a competitive basis. Detailed negotiations will lead to allocations by July 2014. Nationally £2 billion has been allocated to this fund in 2015 / 16, with at least that amount for every year to 2020 / 21. £1.45 billion of this is capital funding. This represents the devolution of existing funding (transport / education / new homes bonus) to better align with local priorities. An additional £5 billion of transport funding is committed from 2016 to 2021.

Solent LEP Growing Places Fund

- 21.13 The Government has allocated £16.74 million to the Solent LEP. This is a revolving capital fund designed to unlock development sites. The emphasis is on sites which will generate jobs / homes in the short term, lever in additional private investment and make a significant contribution to the Solent's economy. £11 million has been committed to the Solent Enterprise Zone. A decision on the remaining £5.74 million is expected in November 2013. Southampton has not bid for this money at this stage.

EU funding via Solent Local Enterprise Partnership

- 21.14 The Government is intending to deliver £5.3 billion of EU structural and investment funding via the LEPs. The indicative figure for the Solent LEP from 2014 – 2020 is £37 million, to be confirmed in 2014. Domestic match funding is required, which could include other funds administered via the LEP. The Government indicates it could cover innovation / research; small businesses; the low carbon economy; employment / skills / social inclusion. The LEP's approach reflects this, with an emphasis on the marine economy.

Public Works Loan Borrowing Rate (PWLBR)

- 21.15 From 1 November 2013 LEPs will have access to cheaper borrowing through the PWLBR for local priority infrastructure projects. The Solent LEP has £49 million of borrowing available, and is working with Councils to discuss how this can be used. Southampton have not bid for this money at this stage.

Regional Growth Fund

- 21.16 This is a £3.2 billion Government fund (2011 – 2017). The aim is to support private sector investment to bring about sustainable economic growth and employment. Approximately £2.5 billion has been awarded in the first 4 rounds, including in Southampton: approximately £10 million for the Platform for Prosperity transport scheme, and additional monies for Watermark WestQuay. Bidding for round 5 will occur in Autumn 2013, and round 6 in the Summer of 2014.

City Deals

- 21.17 The 1st wave of City Deals devolved £500 million of funding over 10 years and provided more flexibility / autonomy.

- 21.18 A City Deal expression of interest for Southampton / Portsmouth was submitted in January and agreed in November 2013. The City Deal, includes the two City Councils, the Solent LEP, the other PUSH Councils.
- 21.19 The focus of the City Deal is to facilitate the growth and diversification of the marine sector, including transport / logistics, advanced manufacturing, research / innovation and the visitor economy.
- 21.20 It is anticipated that the City Deal will generate 4,700 new jobs. £115 million of public investment is expected to lever in £838 million of private sector investment.
- 21.21 The City Deal will provide a significant boost to training / skills / business support measures. It will also help unlock two key development sites, including Watermark West Quay in Southampton city centre. In order for phase 1 to commence, £10 million is needed for site enabling works (the diversion of utilities and public realm enhancements). The private sector will invest a proportion of this, and the City Deal has secured the remaining funds required from the Regional Growth Fund, with an extension of 1 year in which to spend the money.
- 21.22 As part of the discussions, The 'DEFRA family' (Marine Management Organisation, Natural England, the Environment Agency) have established a 'Coastal Concordant' to 'de risk' and facilitate development through the planning process, including the Royal Pier Waterfront development site.

New Homes Bonus

- 21.23 This is a £1 billion Government grant (2011 – 2015) administered by the Department for Communities and Local Government, which awards Councils for the delivery of new dwellings (with a premium for affordable homes). £400 million is being transferred to the Single Local Growth Fund. Councils can decide how they spend the money, and are expected to consult the local communities affected by new development. In 2013 / 14 Southampton received a total of £2.58 million as a result of dwellings completed that year and from 6 year recurring payments for dwellings completed since 2011.

Retention of Business Rates

- 21.24 From April 2013 Councils are able to retain half of business rates raised locally.

Community Infrastructure Levy (CIL).

21.25 The Council adopted its CIL in September 2013. This is set at the rate of £70 / sq m for residential, £43 / sq m for retail, and £0 / sq m for all other development. The CIL is anticipated to raise £2.5 million a year, or £32.7 million between 2013 - 2026. The Council's 'regulation 123 list' sets out the types of infrastructure on which this can be spent: strategic transport; green open space and strategic flood risk; as well as education, sports / recreation / community facilities, health, museums / libraries / arts.

Council Capital Programme

21.26 The Council's current capital programme covers the period 2012 – 2016, and totals £140.3 million. The programme is assembled from a range of sources, including Government grants and CIL which are identified elsewhere in this paper. However around £47 million represents additional funding from Council resources:

	£ million	Additional to other funding sources referred to in this background paper?
Council borrowing	8.8	Yes
Council capital receipts from sales	27.1	Yes
Contributions from 3 rd parties	10.6	No. Primarily CIL developer contributions.
Grants from Central Government and other bodies	82.3	No. These grants have been identified elsewhere in the paper.
Direct revenue funding from Council Tax	11.5	Yes
Total	140.3	£47.4 million is additional.

21.27 The current capital programme includes the following measures of potential relevance to the city centre:

	£mil (2012 / 13 – 2015 / 16)
Various transport measures (see below). Includes integrated transport, bus, city centre public realm, cycling, and road improvements.	14.2
Platform for Prosperity (Town Quay – Platform Road – Queens Park road / open space enhancements)	7
Cultural Quarter (Arts Centre and Guildhall Square)	19.1
Heart of City (Watermark WestQuay and QEII mile)	1.7
Royal Pier Waterfront	0.58

Station Quarter	0.42
Relocation of Town Depot	0.4

Transport / City Streets / Public Realm.

21.28 The aim is to enable easy and attractive access to / from an expanded city centre and port; and around the city centre. This will be facilitated by a 'modal shift' away from cars (particularly single occupancy cars) towards public transport, walking and cycling. This will reduce congestion and be of benefit to the environment.

21.29 A range of transport measures in the city centre or which will benefit the city centre have been implemented in the last few years, including:

- Central Station enhancements: entrances and south side public realm costing £2.4 million (funded by Network Rail, South West Trains, and SCC).
- QEII mile public realm enhancements.
- Real time bus information.
- Motorway improvements: M3 jnc 3 – 4 widening, M27 jnc 5 phase 1.
- Southampton – West Midlands rail gauge enhancement.

21.30 In addition a total of over £40 million has been secured for further schemes to be implemented in the short term, as set out below. This and future funding can come from the general funding identified above, from a range of Department for Transport funding (Local Transport Plan Integrated Transport Funding, Local Sustainable Transport Fund, Local Major Transport Scheme, Better Bus Area Fund, Cycle Safety Fund, Local Pinch Point Funding); and from Network Rail's National Station Improvement Programme. In Autumn 2013 the Council won the national "Transport City of the Year" award in recognition of its success at delivering transport schemes and achieving modal shift.

21.31 The transport schemes include:

- Integrated Transport Infrastructure: walking / cycling enhancements; bus priority, information and refurbishment measures; and the Solent SmartCard. The DfT have provided £11 million, and an additional £18 million to Transport for South Hampshire for the smart card.
- Behavioural Change: campaigns, travel planning, car sharing / clubs. £5.2 million of funding has been secured from the DfT.

- City Streets: Creating a series of civilised city streets, which relate to the strategic links (see below). The total cost is anticipated to be in excess of £50 million. This includes the Station Quarter and Platform Road (see below).
- Station Quarter: Enhancement of accessibility, pedestrian links, transport interchange, and public realm. The total cost for the north side is £8 million. £2.2 million of this has been secured from developer contributions and the DfT, to implement phase 1 in 2014. The total cost for the south side phase 1 is £11 million. The Local Transport Board has secured £28.8 million from the DfT, of which £9 million has been allocated to the Station Quarter. This now needs to be confirmed by the LEP as part of the Single Local Growth Fund. The Station Quarter is one of the Council's top priorities for such funding.
- Platform for Prosperity: Town Quay / Platform Rd / Queens Park Terrace: Completion of dual route to Port (eastern docks); removal of gyratory to enhance Queens Park; and enhanced pedestrian crossings. The scheme costs £12 million. £10 million has been secured from the Regional Growth Fund, with the remainder coming from SCC and ABP. Construction commenced in Summer 2013.
- Improvements to Strategic / Approach Roads:
 - Maintenance and improvement work to bridges on key approaches. £4.2 million secured from DfT and SCC. To be completed Summer 2015.
 - M27 junction capacity enhancements: £2.3 million secured for jnc 3 and £4.9 million for jnc 5 phase 2 from DfT, to be implemented in 2015.
 - Managed motorways: funding confirmed in principle by 2013 spending round, on the M3 from Winchester to Southampton (jncs 9 – 14) and the M27 from Southampton towards Portsmouth (Jncs 4 – 11). To be completed by 2021.
 - The following enhancement schemes are currently unfunded: Redbridge roundabout; M3 jnc 9 capacity; and Southampton eastern approaches (identified in the TfSH Delivery Plan, less critical with reduced development in the city centre and Hedge End).

Strategic Links

- 21.32 The Plan identifies, as a long term programme, strategic pedestrian / cycle links to connect existing and future destinations in the city centre. The Council is currently developing a Streets and Spaces Framework to set out conceptual designs for these links. The Council has also identified a City Streets programme, which focuses in more detail on key parts of the strategic links. These are identified below. The Council has prioritised two of the City Streets projects for funding: the Station Quarter, and Civic Centre Place, both of which are key parts of the 'east west spine'. The remainder are anticipated to be longer term projects.
- 21.33 There are a range of potential funding sources to implement street scene improvements over time, including CIL, the other general grants and Department for Transport grants. It is worth noting that from 2004 – 2011 the Council secured £20 million of public realm investment. For every £1 of public money invested in the QEII mile, £5 of private investment was generated.
- 21.34 The deliverability of the strategic links is assessed as follows.
- 21.35 East – West Spine: From the Station Quarter to Civic Centre Place (both City Streets project), the northern end of the shopping area, the Cultural Quarter, Solent University and Six Dials (a City Streets project). The enhancements around the Station Quarter are a separate programme (see sites section, Station Quarter). A feasibility study has been completed for the Civic Centre Place work. The study envisages 5 phases. Each focus on enhancing and extending the pedestrian environment, utilising appropriate shared surfaces, landscaping, lighting, etc:
- Phase 1 – Above Bar / Civic Centre Rd / New Rd – junction enhancements (£1.8 million).
 - Phase 2 – Havelock Road – including pavement widening and central pedestrian area (£1.6 million).
 - Phase 3 – Civic Centre Rd / Havelock Rd / Portland Terrace – significant narrowing of road space at junction and Civic Centre Road with widening of pavements and enhanced crossings (£3.3 million).
 - Phase 4 – Replacing car park in front of Civic Centre with public open space (£2.2 million).
 - Phase 5 – Enhancement of pedestrian route along Blechynden Terrace / Kingsbridge Lane, with potential development (£2.3 million).
- 21.36 The feasibility study gives a general indication of potential enhancements, and has taken account of pedestrian, cycle, bus, taxi,

vehicle and delivery movements; on street parking; accident records and land ownerships (predominately Council land).

- 21.37 Six Dials is a major highway junction at the eastern end of the link. The City Streets project would replace subways with pedestrian links; significantly reduce highway space to enhance the public realm and create development plots to form a gateway to the city centre.
- 21.38 Station Avenue: From the Station Quarter (a City Streets project) through the Western Gateway to Royal Pier. The link will benefit from enhancements to the south side of the Station and the crossing of Western Esplanade (see Station Quarter Southside). The Master Plan envisaged that the link would be formed by a straight avenue cutting across the Mountbatten Retail Park / hotel area to the Western Gateway. These areas will be more likely to be redeveloped in the medium to longer term. The link through the Western Gateway could be created by an enhancement of the West Quay Road, or a new link created through different phases of the Western Gateway redevelopment.
- 21.39 International Maritime Promenade. From the Station Quarter (a City Streets project) via West Quay Shopping Centre / Watermark West Quay; Western Esplanade (a City Streets project); Royal Pier; Platform Road; Ocean Village / Town Depot. The Station Quarter section sets out how this link will be enhanced to the south side of the station (new public square, enhanced pedestrian crossing over a narrowed Western Esplanade, widened footway by reducing the footprint of the 132 kb electricity distribution station). To the south a redevelopment or reconfiguration of the Toys R Us / West Quay Retail Park area would, over the medium to longer term, enhance the link and ensure it is better integrated with development. The proposed Watermark West Quay scheme creates new links through the site to the Western Esplanade. The remainder of the route is along public highways. It will benefit from enhancements associated with the 'Platform for Prosperity' scheme.
- 21.40 The following links involve the enhancement of public highways. Therefore once funding is secured there are generally no major delivery issues, unless stated:
- Itchen Riverside Link: From the main shopping area, via Chapel to Town Depot. (The link depends on the delivery of the Morrisons supermarket. There is a good prospect of this – see East Street Shopping Centre site. It also depends on an enhanced pedestrian crossing of Evans Street, a secondary port access route, which has now been agreed with the Port).
 - Itchen Bridge Link: From the Station Quarter (a City Streets project) through the Central Parks to the Itchen Bridge.

- Ocean Village link: From the main shopping area, via Oxford Street, to Ocean Village.
- QEII Mile: From the Avenue to Town Quay. This is largely complete, and demonstrates the Council's experience in delivering such schemes. Further public realm enhancements are envisaged around the Bargate (a City Streets project).
- Green Mile: From Six Dials (a City Streets project), through the Central Parks, via Queensway to Queens Park.

Flood Defences.

- 21.41 The aim is to phase in the provision of a shoreline coastal defence to provide strategic protection for the whole city centre and wider city in the longer term.
- 21.42 The defence will act as a barrier against flooding as sea levels rise. The preferred barrier will take the form of land raising but in places will consist of walls. It will need to be implemented in full over the next 50 years. Further detail is set out in the Flood Risk Background Paper.
- 21.43 The Southampton Coastal Flood and Erosion Risk Management Strategy (CFERMS) identifies in strategic terms the preferred form of defence taking account of the ability to implement the defence 'on the ground' (eg physical constraints, development opportunities, land ownerships, etc). The City Centre Action Plan safeguards space for the defence to facilitate its delivery. It is considered the defence can be delivered, generally by utilising proposed development sites and existing highway land / public realm.
- 21.44 DEFRA provide grant funding for flood defences. The total capital cost of Southampton's defence is estimated at £35 million (£30 million for flood cell A which would protect the area including the city centre).
- 21.45 With respect to flood cell A the benefits are estimated to be 13.8 times greater than the DEFRA grant costs (assuming £4.5 million of CIL funding). This ratio is described by the CFERMS as "robust". Without CIL funding the ratio is 9.4, which is still "strongly positive".
- 21.46 The measures required in the short term (the flood wall along the River Itchen) achieve an 'outcome measure' of 171% (with CIL funding of £3.12 mil), which is significantly above the Environment Agency's current funding threshold of 120%.
- 21.47 The level of CIL funding assumed in these scenarios is well within the total anticipated CIL receipts of nearly £33 million. In addition the development viability appraisal for Town Depot (Montagu Evans) and emerging proposals from the Royal Pier developer suggest that it is

viable for redevelopments to provide on site land raising to help form the flood defence.

- 21.48 In any case, even if the total cost of the flood defence was funded by DEFRA grant, this would only represent 0.2% of Government national funding over 50 years, if maintained at current levels.
- 21.49 It is considered likely that the strategic flood defence will be funded over this period.

Open Spaces / Green Links

- 21.50 The aim is to protect and enhance existing open space, and provide new open space (as set out in Table 5, page 56 of the Plan). This provides a range of benefits for users and residents. It also reduces pressure on international ecology designations outside the city (ie the New Forest and Solent coast). PUSH and Natural England are considering a funding mechanism for strategic mitigation measures for these designations.
- 21.51 CIL funding can be used to enhance existing and help create new open spaces. There are also a range of small scale Government grants (awarded on a competitive basis with community involvement) to help improve existing open spaces.
- 21.52 The deliverability of the city centre's new open space can be categorised as follows, with further information found in the sites section of this paper.
- 21.53 Schemes under construction: the enhancement / reconfiguration / extension of Queens Park Terrace (as part of the Platform for Prosperity road scheme, which removes the Queens Park gyratory).
- 21.54 Short to medium term development schemes: Developers or the Council are undertaking the feasibility work and working up schemes which incorporate new open space, demonstrating a good prospect of delivery. This applies to the public squares at: the Station Quarter (north side); Watermark West Quay (which has received Regional Growth Funding towards the public realm enhancements); Civic Centre Place (see 'Strategic Links'); the extension of Mayflower Park at Royal Pier; the events space / public realm at Ocean Village (Promontory site); and the street scene improvements at the Fruit and Vegetable market.
- 21.55 Medium term development schemes: The Council has undertaken a strategic consideration or viability appraisal, indicating a reasonable likelihood of delivery. This applies to the public squares at: Station Quarter south side; Town Depot and Albion Place / Castle Way car park.

21.56 Longer term development schemes: the Major Development Zone. Public squares and the creation of strategic links (along 'city street' principles) would be required with each phase of development, as follows:

- Geothermal Public Square – This would be delivered as part of a redevelopment of the West Quay Retail Park. A number of factors could ease the deliverability of this square. It would form a small part of the overall land interest, and there may be scope to reconfigure existing 'public' space (eg a play area, green verges / cycle ways, and highway land).
- Western Gateway Civic Park or series of civic spaces. This area is likely to be delivered on a phased basis, reducing the likelihood of delivering one major square. However the area is likely to come forward in significant phases. A small but useable public square would form a small part of each phase, so is likely to be deliverable.
- Boulevard from Central Station (Strategic Link 1 – Station Avenue).

Education.

21.57 The Council anticipates that from 2019 / 20 there will be a shortage of secondary places which would require new buildings. This could involve expanding existing schools, and potentially the provision of an annex to an existing school within the city centre. The education background paper provides more details.

Energy.

21.58 The city centre benefits from a combined heat and power plant (located in the West Quay Retail Park) connected to a district energy network, operated by Cofely District Energy. The plant delivers heat, chilled water and electricity to key users, including the Royal South Hants. Hospital, Solent University, West Quay Shopping Centre and the Civic Centre. The combined heat and power plant achieves significant energy efficiencies, saving 10,000 tonnes of carbon dioxide per year. The aim is to deliver energy to customers at a price 10% lower than for conventional energy. The energy plant has recently been reconnected to the geothermal supply, and there is the potential to expand the capacity of the plant on site. Since 2010 a range of new users have been connected, including the BBC studios, the Police HQ, Capita / Council offices, Skandia House and the Gantry residential development. An expanded network with more users creates a more even demand profile, less risk, more resilience and the ability to

connect future developments. The Plan (map 9, page 59) identifies proposed and possible extensions to the district energy network at the Station Quarter, Royal Pier, and in the east of the city centre. There may be a need for small booster plants to serve this extension.

Water / Waste Water.

21.59 Southern Water are introducing water metering across the city. They anticipate this will result in a drop in usage of approximately 10%, which avoids the need for any new water supply infrastructure to meet the needs of new development. The Millbrook Waste Water Treatment works serves the needs of the city centre. Southern Water is currently considering whether the capacity at these works need to be increased to meet growth in the 2015 – 20 period. If so this is likely to take place within the existing site, and it is considered that OfWat usually approve water company business plans for such measures to meet increased demands. It is anticipated that local connections will be funded by developers. Sustainable drainage systems can reduce the need for additional sewers.

POLICY THEMES

22. Overall

- 22.1 The individual themes in the Plan come together to help enhance the city centre as an overall place. The delivery of individual themes will help deliver other aspects of the Plan.
- 22.2 For example, the delivery of office or retail growth will benefit from enhancements to the public realm and transport infrastructure; the delivery of residential development and the promotion of the city centre as a place to live will benefit from the protection of open space and provision of education, retail and leisure facilities and flood defences.

23. A great place for business.

Offices

- 23.1 The aim of the CCAP and CSCR is to promote major office growth in the city centre. They set a target to deliver a net gain of 110,000 sq m of offices, subject to monitoring. To achieve this, policy 1 promotes a significant proportion of offices on specific new development sites; and policy 2 protects existing office areas. Both policies include appropriate flexibility. More detail is set out in the office background paper, and this paper regarding the deliverability of sites.

Industry

- 23.2 Policy 3 safeguards a range of existing industrial sites. The plan releases other sites for redevelopment. The industrial employment background paper justifies the approach for each site in planning and commercial terms. The safeguarding or release of sites will be achieved through decisions on planning applications.

The Port

- 23.3 The Port background paper demonstrate that an appropriate balance can be struck between promoting growth in the nationally important port and the regionally important city centre.

24. A Great Place to Visit

- 24.1 The aim is to maintain and enhance the city centre's retail, leisure, cultural and visitor attractions and its role as a regional centre.

Retail

- 24.2 The Core Strategy sets the aim to promote major retail growth. It included a target for 130,000 sq m of comparison retail floorspace. The Partial Review reduces this to 100,000 sq m to take account of the effects of the recession and internet retailing. The target is subject to monitoring and so the Plans are based on delivering the level of retail floorspace which will be appropriate in the light of future trends. To achieve major retail growth, policy 4 protects the existing shopping floorspace and policy 5 phases the proposed major new retail development.
- 24.4 The retail background paper sets out more information on the likely phasing of retail sites. The ability to develop the current target in full depends on the ability to redevelop the West Quay Retail Park. There are uncertainties attached to this. There is the potential for redevelopment or reconfiguration (at least on a phased basis) to occur by 2026; or if not, then soon after. In any case if monitoring future trends shows that the current target remains robust, this will be reflected in the commercial demand for new retail space which will encourage the redevelopment of the West Quay Retail Park.
- 24.5 Policy 6 sets out the approach for convenience retailing. The overall aim is to enhance the city centre's role as a convenience (food) shopping destination. The policy enables the Council to support superstore proposals in the east and west of the city centre subject to retail tests. There is already a superstore in the west (Asda) and a proposal in the east (see 'East Street Shopping Centre').

Culture, Leisure and Tourism

- 24.6 The city centre is already a focus for cultural and leisure facilities and the general aim is to support and further enhance such provision. A number of schemes have been delivered recently: the SeaCity museum, the newly restored Tudor House museum, and an extension to the Mayflower Theatre. The new arts complex at Northern Above Bar, and leisure facilities at Watermark WestQuay will further enhance provision. The South Hampshire Hotel Futures Study (2010) indicates a strong demand for further hotels in the city centre, and the Plan facilitates these uses on a number of sites.
- 24.7 Policy 7 promotes a balance between a range of night time activities and residential amenity, designating late night and evening zones and controlling opening hours accordingly. In general these reflect existing concentrations of bars, clubs, etc. With respect to new development, control can effectively be delivered through the determination of planning applications.

25. A Great Place to Live

- 25.1 Around 18,000 people already live in the city centre in a variety of communities. They already benefit from a wide range of facilities, including access to a large number of jobs, to public transport, the city parks, primary education and medical facilities.

Residential

- 25.2 The Core Strategy establishes a target for a further 5,450 dwellings in the city centre.
- 25.3 Policy 8 indicates how the target for 5,450 dwellings will be met. Evidence on how this can be delivered is set out in the SHLAA and the assessment of major sites in this paper.

Primary and Secondary Education

- 25.4 City centre primary schools are being expanded to cater for anticipated needs. The Council is currently reviewing the potential need for a further secondary school in the city in the longer term (see education background paper). Policy 10 sets a framework to support any proposals which come forward over the longer term.

Higher and Further Education

- 25.5 There are three further or higher education campuses within the city centre and policy 9 safeguards the relevant sites. Southampton Solent University are reviewing the configuration of facilities on their East Park Terrace Campus (see East Park Terrace site).
- 25.6 There is a range of existing purpose built student accommodation, and further major facilities are proposed (ie at Mayflower Plaza).

26. A Greener Centre

Open Space

- 26.1 Policies 12 and 13 protect and enhances existing open spaces, support the provision of new or reconfigured open space in specified development sites, promote a green grid of routes and qualitative improvements.
- 26.2 The existing open spaces will be protected through planning decisions. The open space background paper illustrates that the overall approach will provide sufficient existing and new open space for the city centre, taking into account the additional development proposed. The delivery of specific open spaces is set out in the infrastructure section.

Energy

- 26.4 Policy 12 sets out the criteria for considering new energy plants (there may be a need for small booster plants). The Core Strategy sets out a requirement for new development to achieve carbon reduction standards. This can be achieved by connecting to the district energy network (if this reaches the vicinity of the site), or via alternative renewable energy provision. Further detail is set out in the infrastructure section above.

Flood Resilience

- 26.5 Policy 13 sets out a 'twin track' approach to flood risk: to implement, over the longer term, a strategic shoreline flood defence; and to ensure that individual developments are safe. The infrastructure section of this paper and the flood risk background paper demonstrates the deliverability of both approaches, drawing on the Flood and Coastal Erosion Risk Management Strategy and ongoing studies, and the Strategic Flood Risk Assessment (SFRA2).

27. Attractive and Distinctive

Design

- 27.1 Policy 14 promotes high standards of design. In particular development should respect heritage, relate well to surrounding buildings and streets, adopt a perimeter block form and make efficient use of land. Strategic views and views of the waterfront should be protected.
- 27.2 This design approach can be delivered through detailed planning and the determination of planning applications. The City Centre Master Plan and City Centre Characterisation Study provide further information. Key design issues are highlighted in the site deliverability section.
- 27.3 The Strategic Views are indicated in the policy and Map 10. The supporting text indicates flexibility where the view is an open vista, or where a development allocation cannot be practically developed.
- 27.4 Civic Centre Campanile – Views from the south west are across the proposed major development zone. Views can be obtained from a range of angles, which provides a range of different solutions for development to maintain some of these views. The Campanile is also on higher ground, which facilitates the creation of views. Views from the south east are from the raised Itchen Bridge, and are across existing areas of relatively low rise development or the parks where limited or no change is expected. The view crosses the Town Depot site allocation although this is immediately below the Itchen Bridge, so

only very tall buildings on this site would have the potential to compromise the view.

- 27.5 St Michaels Church Spire - Views from the south west are across the proposed major development zone. Views can be obtained from a range of angles, which provides a range of different solutions for development to maintain some of these views. The spire is also on higher ground, which facilitates the creation of views. Views from the south and east are generally along existing street views.
- 27.6 St Marys Church Spire - Views from the south east are from the raised Itchen Bridge, views from the east are from the parks, and are across existing areas of relatively low rise development where limited change is expected.
- 27.7 The River Test from the Town Walls, the bottom of Bugle Street, and French Street if possible – the Watermark West Quay scheme creates an avenue which maintains the view to the River Test in the vicinity of the City Cruise Terminal. The Royal Pier scheme can maintain the view from Bugle Street.
- 27.8 From the Town Walls to the River Test / Mayflower Park and from Mayflower Park to the Old Town – views are via Western Esplanade. The Royal Pier site is sufficiently large to enable a layout to be created which maintains these views through the site.

Tall Buildings

- 27.9 Policy 15 requires that tall buildings should be of a high quality design, respond well to their context and enhance the skyline. Tall buildings will be supported in clusters in specified parts of the city centre.
- 27.10 This design approach can be delivered through detailed planning and the determination of planning applications. The policy provides the flexibility for tall building proposals to be considered in a variety of appropriate locations. Tall buildings need to be controlled in respect of airport flight paths and the impact on protected species (bird flights). In respect of the airport, development of up to 90 metres in height (depending on the location) is appropriate before consultation with BAA is required. This enables development of up to 32 storeys. The HRA illustrates the acceptability of tall buildings with respect to bird flights.

28. Easy to Get About

Transport

- 28.1 Policy 16 aims to achieve a significant modal shift away from the car, which will enable the transport needs generated from major

development to be accommodated without additional congestion and whilst meeting environmental objectives.

- 28.2 The infrastructure section of this paper and the transport background paper illustrate the likely deliverability of the necessary infrastructure to achieve the modal shift required. Additional measures such as travel plans and the management of car parking will be secured through the determination of planning applications.