

Item 7

KEY DECISION

REPORT TO CABINET

31 JULY 2008

**REPORT OF DIRECTOR OF
NEIGHBOURHOOD SERVICES**

**PLANNING & SOCIAL REGENERATION AND PARTNERSHIPS
DEVELOPMENT PORTFOLIOS**

SOUTH SPENNYMOOR MASTERPLAN

1. SUMMARY

- 1.1 Recent global economic changes, particularly those affecting low skilled manufacturing, have resulted in a significant restructuring in the Borough's economy. The Merrington Lane area of Spennymoor has been subject to this structural change. The two major employers at Merrington Lane are leaving the site. Thorn Lighting is in the process of moving to Green Lane and Electrolux announced last December that they would cease operations by the end of 2008.
- 1.2 The structural change process started with Thorn Lighting's planning approval for the construction of a new factory at Green Lane and the redevelopment of their current site for residential development. This planning permission changed the planning policy position regarding development at Merrington Lane. Since Thorn Lighting's approval, the Council has also approved residential development at the former Greyhound Stadium. Both permissions require the provision of monies to prepare a Master Plan for the area..
- 1.3 Electrolux have recently approached the Council regarding the long-term development potential for their site. They have indicated that they would be willing to enter into an agreement to part fund the Master Plan. This would mean that there would be a comprehensive vision and development framework for Merrington Lane.
- 1.4 The Borough Council is currently working with existing landowners to identify the most beneficial uses for the sites and the phasing of redevelopment.

2. RECOMMENDATIONS

- 2.1 It is recommended that Cabinet approve the commissioning of a Masterplan for the development sites to the South of Spennymoor

3. BACKGROUND

- 3.1 In recent years there have been significant changes to the economic base of Spennymoor, with the contraction or restructuring of several major employers, typically in the manufacturing sector. This has included Black & Decker, Thorns Lighting and Electrolux.
- 3.2 This restructuring has come at a time when developer interest in residential sites around Spennymoor has been high, based on a mix of land and property affordability and a high Quality of Life.
- 3.3 Following the announcement of the Restructuring of the Thorns lighting operations in 2006 a planning application was submitted and subsequently approved for the development of approximately 400 houses on the 12.45-hectare site. This decision effectively changed the planning policy regarding the suitability and type of development that would be acceptable at Merrington Lane.
- 3.4 Conditions attached to the approval require a Reserved Matters application for the siting, design and external appearance of the buildings and landscaping. The permission also limits the number of residential units constructed per year to 75.
- 3.5 An outline Planning Permission for residential development exists for the former Greyhound Stadium site. The reserved matters for this development currently being addressed and will be considered by Development Control Committee in due course.
- 3.6 Electrolux, having announced late in 2007 that the Merrington Lane Facility was to be 'wound down' over the course of 2008 are exploring the future use of the current site and have approached the Borough Council concerning the re-use of the site. They wish to fully participate and help fund the Master Plan.
- 3.7 In view of the interest in development around the Merrington Lane Estate, the Borough Council has facilitated discussions with all parties with a current development interest in the Merrington Lane area, with a view to securing cohesive long-term development plans across all the sites.
- 3.8 After due consideration the organisations concerned with the redevelopment of sites around Merrington Lane have agreed to procure consultants to develop a Masterplan for the area to address these issues.
- 3.9 The Borough Council has agreed to take the lead role in the development of a brief for such a study, ensuring that the resulting document would provide benefit in terms of the long term planning of the sites and will also dovetail with existing studies such as the Spennymoor Area Action Plan. A copy of the Brief for such a Masterplanning exercise is attached at Appendix 1.
- 3.10 This aspiration for a long term planned approach to development comes at a time when an Area Action Plan is being prepared for the Town Centre by planning consultants. , This Area Action Plan is being developed for the

Borough Council to reflect the specific, long term development needs of the Town Centre and the local population it serves.

- 3.11 The Area Action Plan is retail and commercial development focussed. It is not felt appropriate to extend this commission to consider the long-term development of the Merrington Lane sites.
- 3.12 A further major investment and redevelopment programme is imminent for part of the Green Lane industrial Estate, based upon the Black & Decker Site. The future uses on this and the town centre sites means there is a requirement for careful consideration of the timing, and type of development and the impact of all developments on the provision of public and commercial services across Spennymoor

4. **RESOURCE IMPLICATIONS**

4.1 Human Resources

The commissioning of a Masterplan for the Merrington Lane sites will have minimal long-term impacts on staffing, with regular contract meetings being incorporated into existing work programmes.

4.2 Financial Resources

It is envisaged that the Masterplan will be fully financed through developer contributions. A contribution of £25,000 has been secured through the Section 106 process as part of the Thorns Planning Permission, while a Section 106 agreement has still to be concluded in respect of the redevelopment of the former Greyhound Stadium site.

- 4.3 Electrolux approached the Borough Council in connection with the re-use of their current site and it is proposed that through the Steering Group of interested parties, a formula for contributions based on secured Section 106 contributions and in advance of applications, loosely on site area, be agreed.

- 4.4 Initial estimates suggest the Masterplan will be in the region of £75,000. The Borough Council has indicated it will administer this commission and will procure suitable consultants in accordance with Contract Procedure Rules.

5. **CONSULTATIONS**

- 5.1 The Need for a Masterplan to cover the Merrington Lane sites has been identified through the determination of planning applications and through the subsequent round table discussions with the relevant landowners.

- 5.2 The landowners and their agents along with the Borough Council and Durham County Council have met informally in order to progress this matter.

- 5.3 It is recognised that in progressing such a study, a wider group of stakeholders including Spennymoor Town Council and existing users of the Merrington Lane Industrial Estate will need to be fully involved.

6. **OTHER MATERIAL CONSIDERATIONS**

Corporate Policy Implications.

Developing a Masterplan for the South of Spennymoor is in line with the Community Strategy Priorities of 'Improving the design and environmental quality of our towns and villages' ' providing 'A good choice of quality housing ' and recognising 'Changing housing demands and needs'.

The Borough Council's Transition Plan highlights the Regeneration of Spennymoor Town Centre as a key Project. The works to be considered through the South of Spennymoor Masterplan will be required to complement and enhance this priority project

Legal Implications

The development of a Masterplan is being undertaken in line with the Section 106 agreement between the Borough Council and Thorn Lighting. A further Section 106 agreement is being completed for the former Greyhound Stadium.

Local Government Reorganisation

The preparation of a Masterplan for South Spennymoor will assist in the delivery of ongoing development around Spennymoor and assist in the determination of any future planning applications by the Borough Council and the new Unitary Council.

Given the current Reorganisation process, the Area Based Regeneration and Planning workstreams will be appraised of the work.

By virtue of the land use and Infrastructure implications, Durham County Council are represented in the Steering Group by Planning and Highways Officers and the County Durham Development Company.

Risk Management

The main identified risk with developing this Masterplan is securing an agreed output, which meets the Councils requirements as Local Planning Authority and recognises the potential for conflicts of interest from the various landowners and developers engaged in the process.

This risk is identified within the current specification and will be mitigated through the procurement process

Sustainability

The redevelopment of Merrington Lane will establish a new community in Spennymoor. It will be important that this community is sustainable and there will be a need for the Master Plan to fully address Climate Change issues.

Procurement

Procurement of the Masterplan will be undertaken inline with the Councils Contract Procedure rules. Given the potential value of the Contract a Tender advertisement will be placed in appropriate technical publication in order to develop a select list for this commission. The assessment criteria for the tender exercise are detailed in the attached specification document.

7. **OVERVIEW AND SCRUTINY IMPLICATIONS**

None

8. **LIST OF APPENDICES**

Appendix 1 Spennymoor Southern Urban Expansion – Tender Brief

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Wards: Middlestone: Low Spennymoor & Tudhoe

Key Decision Validation:

This report constitutes a key decision by virtue of it affecting two or more Wards

Background Papers:

Spennymoor Area Action Plan

Planning Application – Thorns (considered by Development Control Committee 20 October 2006)

Planning Application – Former Greyhound Stadium (considered by Development Control Committee 7March 2008)

CABE Creating Successful Master Plans: A Guide for Clients (2008)

Examination by Statutory Officers

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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