
Ripley Masterplan

Delivery of the Opportunity Sites



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DTZ
St Paul's House
23 Park Square South
Leeds
LS1 2ND

Introduction

Following the completion of the baseline assessment and the identification of Ripley's opportunity sites this report outlines the rationale for intervention and the anticipated regeneration benefits of delivering the proposals.

A number of solutions have been developed for each opportunity site with varying levels of intervention. In respect of each site we have provided an estimated timescale for delivery, the potential capital receipt (or deficit) through 'high level', indicative development appraisals and an outline delivery strategy to inform the next steps taking into account the opportunities and constraints.

The values outlined under each identified opportunity are indicative and have been undertaken for illustrative purposes only. The valuations reported in this document have not been undertaken in accordance with the RICS Valuation Standards and do not include land acquisition costs or compensation costs. Furthermore, the development appraisals are by their nature subject to a number of assumptions and are therefore highly sensitive to even relatively minor adjustments to the inputs.

As necessitated by the nature of the study the appraisals assume the delivery of a single, comprehensive development at each opportunity site, whereas reality dictates the inclusion of both private and public sector funding. We have adopted the quantum of accommodation and costs provided to us by Gardiner & Theobald and adopted appropriate rental / sales values and other inputs as commensurate with market levels.

It is beyond the scope of this commission to undertake market testing, provide a detailed development appraisal or proffer detailed delivery advice for each individual element of the opportunity sites identified. We have therefore outlined an indicative delivery strategy for the comprehensive opportunities we consider critical to the revival of Ripley. The quantum of accommodation outlined in the proposed solutions is illustrative only and is dependent upon a number of determining factors including physical, economic and market conditions at the time of delivery.

A number of smaller infill opportunities have also been identified including the Amber Valley Borough Council owned short stay car park on Nottingham Road, for which a sale of part could generate a capital receipt to cross subsidise the delivery of the more comprehensive development proposals. However, we acknowledge the current market conditions somewhat limits the prospect of recouping these receipts over the short term.

In due course, comprehensive market demand assessments will need to be undertaken to identify occupier requirements in conjunction with a feasibility study and consultation exercise with local stakeholders and prospective developers to determine the appetite for the respective opportunities.

The outcome of these consultations will help inform the respective delivery strategies and assist in defining the exact quantum, configuration and mix of accommodation for each site.

We have been instructed to disregard the proposals for the large scale residential development on the outskirts of Ripley but would highlight that any subsequent population increase may necessitate or rather facilitate an opportunity to deliver larger scale proposals than those identified as the catchment population increases and the demographic profile of the town changes.

DTZ have appraised the delivery of each opportunity in isolation to one another and do not envisage a single delivery vehicle undertaking each of the development opportunities identified given the differing timescales for intervention and Amber Valley Borough Council's lack of a controlling interest in the sites.

However, the opportunity sites identified as part of this commission are intrinsically linked and the delivery or otherwise of each respective opportunity will impact upon the use and quantum of accommodation viable at the other identified sites.

DTZ have not been provided with details of any land interests other than a plan outlining Amber Valley Borough Council's freehold ownership and have relied upon information contained within the respective title documents from the Land Registry.

Minimal Intervention

Each opportunity site incorporates a minimal intervention solution primarily focussing on public realm improvements which although difficult to fund in the current market could be captured by developer contributions or through levying funding through a public private Business Improvement District partnership with local businesses. However, given the economic pressures local businesses are facing we would anticipate that the appetite for such a partnership will be somewhat muted and other external sources of funding should be explored, i.e. the scope for contributions from East Midlands Development Agency.

Market Square West

Providing managed public car parking to the rear of the Civic Offices and creating a link through to the market will increase footfall to Market Square, make the identified retail opportunity a more attractive proposition to developers and retailers alike and embed the market back into Ripley's retail circuit.

The redevelopment of the block to the West of Market Square offers the single greatest opportunity to provide Ripley with the retail floorplates necessary to meet modern retailer's requirements and support the requisite level of critical mass to attract new, national multiples to the town. This will

improve the prosperity of the town, claw back leakage of consumer spending to competing retail destinations, attract private sector investment thereafter consolidating or improving Ripley's position in the retail hierarchy and arresting the decline of the Town Centre as apparent over the preceding years.

The complementary traffic management and public realm improvements identified throughout the town will further enhance the shopping experience by creating a more attractive retail environment which, in conjunction with the delivery of the opportunity sites will provide Ripley with a sense of uniqueness and differentiate the town from competing centres.

In abeyance of detailed proposals for the future of the Civic Offices and under an assumption Amber Valley Borough Council will continue to occupy the premises in their entirety the opportunity to provide the critical mass necessary to attract a number of national, multiple, retailers to the town is somewhat constricted. This may impact upon the orientation of retailers attracted to Ripley, particularly restricting fashion orientated comparison goods retailers who typically require units of circa 230 sq m (2,500 sq ft) to 465 sq m (6,000 sq ft) and prefer to cluster.

Nevertheless, we are of the opinion that the site still presents a strong opportunity to provide a quantum of retail floorspace which will be sufficient to attract new entrants to Ripley and potentially increase the catchment population who would otherwise frequent other comparable and competing towns i.e. Heanor. Furthermore, new retail development presents an opportunity to improve the tenant mix and consumer choice in the town which was identified as being particularly weak during the consultation exercise.

Wherever viable the retention and inclusion of historic facades in new development should be embraced, such as the former hall on the corner of Shirley Road and Market Place. Capitalising on the existing features of Market Square will help create a distinctive scheme which will offer an attractive environment and encourage extended trips. This will re-invigorate Market Square and offer a different retailing environment to that currently provided in Ripley and the surrounding towns.

Enhancing the retail offer at Market Square will forge an improved retail circuit given its central location, thereafter increasing dwell time in the immediate vicinity and the existing retail circuit of Oxford Street and Grosvenor Road providing the two are sufficiently well linked. The successful integration of the proposed development into the wider town is therefore of paramount importance and if achieved will improve the retail "health" of Ripley. However, this relationship will be dependent upon the implementation of the traffic management strategies and public realm proposals outlined in this report.

Convenience shopping in particular can encourage combined trips and act as a key footfall generator. Waitrose and Marks & Spencer's for example are unrepresented in the surrounding area and both have developed new market town formats which could significantly alter the perception of Ripley as a retail destination.

The proposed mix of uses in the upper floors may help spread development risk and promote a more vibrant and diverse environment if well integrated. However, the proposals for the upper floors are entirely dependent upon the delivery and success of the 'key' elements of the opportunity sites, in this instance retail, which will need to improve the perception of Ripley and thereafter generate market demand for residential or office accommodation.

Despite the attractive position of Market Square in comparison to Knightsbridge Place, Nottingham Road and Taylors Mill, Crossley Street the scale of accommodation encompassed in a three storey office /residential development may be ambitious notwithstanding the architectural merits of this approach. Flexibility of design is therefore essential to support alternative upper floor uses which could add value or cross subsidise the development at the time of delivery i.e. leisure if demand supported it or local services, such as a relocated library or health clinic.

Notwithstanding the need for market testing and detailed design work to determine the quantum of accommodation consideration will need to be given to the servicing and access arrangements, the layout and the configuration of the proposed retail units so as not to detract from their marketability and viability.

It is anticipated that the land assembly programme necessary to deliver the comprehensive development proposal at Market Square will be complex given that the Western block comprises fragmented land ownerships with just one property held freehold by Amber Valley Borough Council. Of particular note is the extensive freehold interest of 19-27 Market Place held by Land Securities Trillium (Nelson) Properties Limited under title number DY404341. We understand from the title documentation that Land Securities have granted a Lease of part to the Royal Mail Group Plc which is due to expire in March 2022. We further understand Ladbrokes hold an occupational lease of part of the ground floor for a term of 15 years, due to expire in November 2014 and that other occupational leases may have been granted on the upper floors.

The freehold of 31 Market Place, for which the ground floor is trading as Smartmove, is held by David Lee Elder under title number DY196291. We understand the ground and lower ground floors are held by way of Lease dated August 2004 and due to expire in 2017. We would again assume that the upper floor is subject to one, or more, occupational lease.

Jogindra Roy holds an interest of 29 Market Place, which we understand from the title documentation is subject to a Lease for which the parties to are 1) Bernard Henry Blackwell and David Robert Blackwell and 2) David Greer for a term of 15 years from November 2000, due to expire in 2015.

DTZ have not been able to determine the freehold ownership of 'Julies Cafe' but would assume this is again in third party ownership and would therefore need to be acquired through private treaty or CPO measures.

Given the aforementioned number of freehold and assumed number of leasehold interests in the Western block site and the length of the respective unexpired terms site assembly is likely to be complex and potentially expensive. It is unlikely a private developer would be able to secure the requisite interests without Amber Valley Borough Council intervening by using or having the potential to use Compulsory Purchase Powers if so required. Amber Valley Borough Council would therefore need to play a significant role in facilitating development at Market Square and due consideration will need to be given to the merits of various delivery vehicles and potential partners in order to meet the stated objectives.

Given the strategic importance of the proposed development and its significance towards the revitalisation of Ripley we would recommend Amber Valley Borough Council maintain as much control of the development as possible through, for example, entering into a joint venture agreement or assembling the site and competitively procuring a development partner through an OJEU competition who would then deliver the scheme through a development agreement.

However, the exact delivery strategy would be dependent upon the intentions of the Council, private sector appetite and availability of funding and given the current economic climate and likely period of recovery any development management strategy should not be so inflexible as to deter private sector development partners.

There is scope for Amber Valley Borough Council to adopt a phased approach and realise a capital receipt for the freehold disposal of the long stay car park on Shirley Road or alternatively a premium for granting a long leasehold interest to a developer. However, we would express caution in Amber Valley Borough Council undertaking such a strategy so as not to compromise proposals for a more comprehensive development. In any case we anticipate that the current market conditions will curtail the prospect of any capital receipt being realised over the short term.

Delivery Timescale: 3 - 10 years

Indicative Value: (£ 3-5 million)

Co-op, High Street

The convenience store offer in Ripley town centre is poorly integrated with the wider retail circuit with the two principle anchors; being the Co-op positioned on High Street to the south of the town and the Lidl positioned on Nottingham Road to the north of the town somewhat isolated from the comparison goods retail offer and outward facing from the town centre.

Integrating the convenience offer is becoming increasingly critical to the vitality of small towns as other principle footfall drivers such as post offices and banks close branches therefore reducing footfall which impacts upon the viability of the existing retail offer.

Given the prominence of the Co-op, its proximity to the prime retail pitch of Oxford Street and the extent of developable land within the curtilage of the site the delivery of the proposed solution has the potential to increase footfall to Oxford Street.

The aspect of the Co-op building does not complement Oxford Street. Well Street, linking the two 'sites' together, faces the fire exit and service area of the Co-op therefore creating an unattractive pedestrian environment. Improvements to this link would encourage pedestrian movement and therefore improve dwell time and consumer spending in the town.

A comprehensive development scenario would see the relocation of the convenience store to the south of the site, the provision of public space to the front of the store and an enhanced link through to Oxford Street which would encourage linked trips to retailers on Oxford Street as opposed to the current trend of consumers frequenting the Co-op store in isolation.

Repositioning the convenience store and undertaking public realm works to the link would facilitate further infill opportunity sites, for instance the Crossley Street Car Park, which would likely then be delivered by the private sector resulting in a further strengthening of the pedestrian desire line.

We have not been able to determine Co-op's land interest but in the absence of evidence to the contrary we assume they own the freehold interest of the entire site including the associated area of car parking.

Given that the proposed solution encompasses a repositioned convenience store we are of the opinion that acquiring Co-op's interest through CPO does not represent a viable delivery strategy given the anticipated difficulties in assembling a robust case.

The delivery of the proposed solution is therefore entirely dependent on Co-op's aspirations for the site. We understand from the consultation event held on Friday 14 August that Co-op intend to refurbish the store albeit we are not aware of the extent of the proposals or the commitment of Co-op to undertake these works.

Amber Valley Borough Council therefore have limited opportunity to influence Co-ops proposals other than through statutory planning controls, which would only come to fruition if Co-op are looking to upsize. Even so Co-ops occupation would complicate the delivery of the proposed solution as they would require continuity of trade throughout and it would in all likelihood be necessary to acquire the solicitors' offices fronting High Street to ensure the continuing prominence of the supermarket to the arterial route of High Street.

Notwithstanding the aforementioned complexities Co-op acquired Somerfield in March 2009 creating a chain of some 3,000 stores. Prior to the completion of this acquisition the Office of Fair Trading (OFT) adjudged that the proposed takeover would adversely affect competition in a number of centres and requested a c. 130 store divestment from the 880 store Somerfield portfolio.

Morrison's have recently been cleared to acquire 38 Co-op stores by the Office of Fair Trading (OFT) while 22 stores, the majority of which were former Somerfield's were acquired by Sainsbury's in May 2009.

We do not believe the Ripley store is subject to any acquisition proposal from Morrison's and are of the opinion an acquisition by Sainsbury's is highly unlikely given that this would cannibalise trade from their out of town store.

We are unaware whether the OFT require Co-op to dispose of their Ripley store as part of the requisite divestment programme but consider this unlikely. Nevertheless, there remains a high level of secrecy over which stores are to be sold, albeit a number of supermarkets including Aldi, Waitrose, ASDA and Tesco are reported to be considering acquisitions of part of this portfolio.

However, Co-op are likely to be reviewing their portfolio as a result of the transaction and we would recommend that Amber Valley Borough Council engage with Co-op to determine their intentions. Should an alternative operator acquire the site this may present Amber Valley Borough Council with an opportunity to negotiate the delivery of the comprehensive solution.

Given the limited scope for intervention the delivery of the proposed solution should be considered a long term development option which could be delivered at such time as the existing building comes toward the end of its economic life therefore presenting an opportunity to open discussions or as market forces dictate change, which will require monitoring throughout the life of the Masterplan

Delivery Timescale: 15 -20 years

Indicative Value £ 3-4 million

The Former Sainsbury's "Backlands", Grosvenor Road

Following Sainsbury's closure of their convenience store at 15 Grosvenor Road the building has remained vacant. Due to the properties visual prominence and proximity to the Library and busy pedestrian crossing this vacancy somewhat blights the surrounding area. However, the site does present an opportunity to improve the link between Grosvenor Road and Church Street which will promote vertical pedestrian movement through the town and improve the attractiveness of the secondary retail pitches. Enhancing the environment could subsequently facilitate private sector development and encourage existing businesses to invest in their premises, such as Wilkinson's.

Sainsbury's are marketing their 669 sq m (7,200 sq ft) interest by way of an assignment of an existing lease, due to expire on 13 October 2031. Sainsbury's acquired the leasehold interest from Kwik Save but were only in occupation for a six month period before closing the store in May 2008 therefore incurring a loss of capital on the shop-fit and inheriting a significant liability for the remainder of the

Lease. This would indicate the store was trading extremely poorly which may be attributed to its location, lack of dedicated car parking and poor servicing arrangements.

The freehold interest of the former Sainsbury's is held under title number DY264981 by George LB Limited. The demise includes the road from which the Amber Valley Borough Council owned Church Street Car Park is accessed and extends to Church Street itself therefore limiting the potential for development of this site without the co-operation of both George LB Limited and Sainsbury's.

DTZ have not seen a copy of Sainsbury's Lease but under the assumption there are no residual options to determine an unexpired term of 22 years to a covenant of the strength of Sainsbury's represents a strong investment.

Amber Valley Borough Council own the freehold interest of the Church Street Car Park. However, we are of the opinion there is limited merit in developing this site in isolation and that private sector demand will be limited for this opportunity alone. Acquiring George LB Limited's freehold interest is therefore key towards enabling development at this location.

Amber Valley Borough Council intervention is likely to be necessary as private sector developers would not acquire the freehold, surrender Sainsbury's leasehold interest and demolish the building to facilitate development in accordance with the preferred option. However, we anticipate that Amber Valley Borough Council would face difficulties in assembling a robust case for a CPO acquisition given the limitations of the site and proposed replacement of the existing building with another commercial property. Detailed proposals, potentially incorporating community uses may assist in the assembly of a CPO case.

A private treaty acquisition of the freehold interest will be disproportionately expensive owing to the value of Sainsbury's leasehold interest. The development of the 'backlands' therefore represents a mid to long term option. As the investment value of the property diminishes with the efflux of time there will be an opportunity for Amber Valley Borough Council to acquire the freehold interest of the property at a value which is proportionate to the benefits any development will incur.

We do not envisage a scenario whereby the road and land to the rear of the Sainsbury's could be acquired by Amber Valley Borough Council as Sainsbury's Lease and obligations are ongoing and any variance to the demise would likely compromise any potential assignment of their leasehold interest.

The decision as to the timing of any acquisition should be subject to further due diligence and although unlikely there is a risk an operator of a similarly strong covenant to Sainsbury's could acquire the leasehold interest and indeed remain in occupation beyond the lease expiry date which would further compromise Amber Valley Borough Councils ability to facilitate development at this site.

The comprehensive development scenario could see Amber Valley Borough Council engaging with Derbyshire County Council to determine their aspirations for the Library, for which a reconfiguration

or relocation of this facility could help achieve the stated objectives by way of a collaborative development.

Delivery Timescale: 15 -20 years

Indicative Value: (£7-8 million)

Builders Merchants, Nottingham Road

The Eastern approach to Ripley Town Centre has been identified as being particularly weak offering no sense of arrival despite acting as a key gateway.

There is potential to develop sites to the north and south of Nottingham Road being the tyre garage and builders merchants respectively. These uses are not typically associated with well functioning town centres and add little to the appeal of Ripley Town Centre as a destination.

The sites are somewhat isolated from the core of the town centre but nevertheless provide an opportunity to develop an enhanced gateway to the town and link Ripley to the green corridor. Furthermore the provision of long stay car parking in this location will help tie any development into the town and alleviate the perception of poor car parking provision in Ripley.

Any works linking the site (s) to the green corridor, being the dismantled railway, will be subject to agreement with the party controlling the freehold interest of this land. We believe Derbyshire County Council control the freehold interest following a land sale from the British Railways Board, although we have not been able to determine title to confirm this.

The freehold interest of the builders merchants positioned at 48-52 Nottingham Road (south) is held under title number DY443799 by Clower & Son (Builders' Merchants) Limited. As at 27 August 2009 the title reports the land value to be under £250,000 although an exact valuation is not provided and any acquisition of this land could conceivably be higher whether through private treaty or CPO measures.

The freehold interest of the tyre garage at 27-29 Nottingham Road (north) is held under title number DY395541 by J H Eden Tyre Company Limited who have subsequently granted a leasehold interest to Eden Tyre Sales limited for a term of 10 years, due to expire in November 2015.

Given the current economic climate there may be scope to open negotiations over a freehold acquisition of one or both of the sites as necessary or to acquire the sites through CPO should a private treaty acquisition prove problematic.

In the absence of more detailed information we are of the opinion that neither site offers a significantly greater opportunity than the other although an acquisition of the builders' merchants could help alleviate traffic congestion given the reduced amount of heavy goods vehicles.

Any development should take into account future proposals for the 'Ripley Greenway' which is reserved as a footpath, cycleway and bridleway network under the saved Policy TP2 of the Amber Valley Borough Council Local Plan 2006. We would further recommend Amber Valley Borough Council hold discussions with the freehold landowner of the disused railway to determine any guiding principles for development or scope for a partnership arrangement which could facilitate a holistic development linking Ripley Town Centre to this corridor.

We again envisage Amber Valley Borough Council would need to intervene to secure development given the limited commercial appeal of the sites without the 'link' and again recommend a development brief is produced for the site (s) to govern development. This would provide Amber Valley Borough Council with greater certainty as to the form, scale and marriage of the development site to the green corridor and would ensure the required regeneration benefits are realised. However, the allocated area should not necessarily encompass the entire site(s) so as to compromise the provision of long term car parking, which is likely to be managed by Amber Valley Borough Council as opposed to a private company.

Given the moderately isolated position of the identified site (s) we envisage the delivery of a mixed use development encompassing a leisure offer and more particularly restaurant operators which will complement the land uses already operational in the surrounding environment and subsequently assist in creating a more diverse evening economy. We would further anticipate that development of this site (s) would lead to further private sector investment in this area thereafter improving the function and form of this linear route into the Town Centre.

Delivery Timescale: 3 -5 years

Indicative Value: (£3-4 million)