

**SUMMARY PROOF OF EVIDENCE OF
NICHOLAS DOYLE
Viability and Delivery**

On behalf of:
**Reigate and Banstead
Borough Council**

In Respect of:
**The Reigate and Banstead Borough Council (Marketfield Way) Compulsory
Purchase Order 2018
And
Associated Application to Extinguish Public Rights of Way**

Planning Inspectorate and Planning Casework Unit Reference: APP/PCU/CPOP/L3625/3198457
Department for Transport Reference: NATTRAN/SE/S251/3220

Date:
September 2018

1. QUALIFICATIONS AND EXPERIENCE

- 1.1 Nicholas Doyle is a Co-Founder and Managing Director of Coplan Estates Ltd ("**Coplan**").
- 1.2 Coplan is a private limited company formed in 2006. The Company's main focus is to source and deliver large scale regeneration projects within the M25 and surrounding regional towns in the South East.
- 1.3 I led the Coplan team through a Competitive Dialogue (OJEU) bid process culminating in our selection as Reigate and Banstead Borough Council's Development Manager's to assist them to bring forward a mixed-use scheme for the regeneration of the Marketfield Way site in Redhill town centre ("**the Site**")

2. SCHEME OVERVIEW

- 2.1 The Council has held a long term corporate vision to transform the image of Redhill town centre through high quality developments addressing the need to deliver new shops to improve the town's existing retail offer and importantly the creation of a family focused evening economy and attractive public places.
- 2.2 The Site incorporates the Council owned Marketfield Road public car park plus a post war parade of twelve small unit shops with offices above fronting the High Street, opposite the main entrance to the Belfry Shopping Centre. The Site also encompasses land to the rear of Marylebone House and 16 to 32 (evens) Station Road, as well as an electricity substation.
- 2.3 The Marketfield Way site was identified by the Council in 2005 as having a crucial role to play in delivering its long term regeneration vision for Redhill. Being largely in the freehold ownership of the Council, the Site presented an ideal opportunity for the Council to provide leadership and investment to help drive forward the regeneration objectives. The Site is of sufficient scale and in a prominent commercial location close to the town centre and public transport facilities to support a variety of uses in a sustainable location.
- 2.4 The conclusion of a viability and feasibility study for the Marketfield Way site in 2010 resulted in a recommendation to proceed with a retail-led mixed use scheme incorporating a multiplex cinema. With the Council taking on the role of the developer they recognized that they would need the assistance of a specialist development company to steer them through the complexity of delivering a mixed-use scheme. This led to the Council's appointment of Coplan Estates to undertake a development consultancy role to assist them with the project.

3. SCHEME DEVELOPMENT

- 3.1 Coplan's scheme options presented at the competition stage were judged to be the best solution to address the key challenges facing Redhill. One of the key objectives for any potential scheme was to create a stronger destination, particularly in the evenings, to arrest leakage to other nearby centres, increasing dwell times and linked trips to the existing facilities.
- 3.2 Improving the range and quality of the town centre's restaurant offer with the draw of a cinema anchor will help meet the main objective of creating a stronger and more vibrant leisure economy for Redhill. In addition, incorporating residential units in the scheme would deliver much needed new homes, creating additional footfall and activity in the town centre.
- 3.3 Securing an early cinema operator commitment to the scheme would be a key milestone and catalyst to generate interest from the restaurant sector. Cinemas generate significant new footfall to a town centre and in this case are estimated to be in the order of 300,000 new annual visitations. We received strong cinema interest in the scheme which resulted in a pre-let being concluded with "The Light" who currently operate nine venues nationally and will be opening its tenth facility soon in Addlestone, Surrey.
- 3.4 Coplan have also focused on the residential component of the scheme to secure an early commitment from a suitable residential partner. In summary, the scheme's town centre location close to train and bus stations has provided a very sustainable opportunity to incorporate the delivery of 153 new apartments above the commercial space. The scale of the residential scheme and its connectivity to employment markets has generated significant interest in the scheme from residential developers and more particularly from the "Build to Rent" sector. In essence, this means a new housing development where all the properties are built for rent, not sale.
- 3.5 Heads of terms have now been agreed with a reputable and well-funded residential investor who will be launching a new BTR brand. We are now in the final stages of the legal process to secure a forward purchase of the entire residential component which significantly de-risks the project for the Council.

4. VIABILITY AND DELIVERABILITY

- 4.1 The Council's aim is to deliver significant regenerative and civic benefits but not at any cost. Coplan has been responsible for demonstrating that the project maintains a sufficient level of profitability to support the financial justification for undertaking the scheme.
- 4.2 The capital value of the scheme is now significantly underwritten by the commercial

pre-let of the cinema anchor and residential forward sale .The Council have received independent cost advice throughout the project which has been validated by a first stage tender process with contractors.

- 4.3 The nature of the transactions are commercially sensitive. However, as a current snapshot the scheme will have a completed value in the order of £70m. The majority of the construction cost is underwritten by the residential forward sale and the Councils objective of creating an ongoing revenue stream is currently on target based on a profit on cost that would be deemed an acceptable return for a project of this size, risk profile and complexity.

5. CONCLUSION

- 5.1 The Marketfield Way site presented a rare opportunity for the Council to directly influence development proposals being brought forward in a way that would meet their long held corporate vision to transform the image of the town centre.
- 5.2 Detailed studies established that best regeneration solution should incorporate an improved retail offer and in particular a leisure anchor to stimulate the town's weak evening economy and lackluster image. The Council has secured private developer input to gauge market demand for such a scheme and appointed Coplan following a competition process to partner with them on developing proposals for the site.
- 5.3 The Council having pro-actively intervened in other regeneration initiatives and with a growing exposure to other development projects in the Borough subsequently decided to take on the role of developer. This ensures that the key objectives for the site will be preserved and generates an income stream that will supplement Council revenue.
- 5.4 The Council appointed Coplan on a consultancy basis to act as its Development Manager and we continue to provide that role to this day.
- 5.5 The body of the main proof explains the evolution of the scheme from its initial concept through to receipt of a detailed planning consent in January 2017. This is a market facing scheme and has been designed based on numerous discussions/meetings with potential commercial and residential occupiers. The Council is confident that a viable and deliverable scheme has evolved. This is substantiated firstly by an agreement to lease being in place for the key cinema anchor which we believe will drive the commercial tenant mix. Secondly, a contract for the forward sale of the residential component is close to being completed which significantly underpins the Council's financial commitment by offsetting the project construction cost.

- 5.6 The Council have all the necessary executive approvals to continue funding the scheme and in order to maintain momentum have recently advanced the detailed design process with the appointed building contractor so that a firm price and programme are settled.
- 5.7 The Council is entirely committed to the delivery of the scheme, which has been a policy priority for a number of years, and has dedicated significant time, effort and money to securing planning permission and making and pursuing the confirmation of the CPO. I know of no legal, financial, or other impediments that will prevent the scheme from achieving its stated objective of delivering significant regenerative benefits to the area.