



Derby City Council

**REGENERATING OUR CITY OVERVIEW AND
SCRUTINY BOARD
21 February 2017**

ITEM 9

Report of the Strategic Director of Communities and
Place

Former Celanese Acetate Site, Spondon

SUMMARY

- 1.1 This report updates the Regenerating Our City Overview and Scrutiny Board regarding progress on the former Celanese Acetate Site, Spondon. The Local Plan Part 1 (Core Strategy) identifies the former Celanese site as a significant brownfield regeneration opportunity. The Council is continuing to work with the landowner to identify a strategy to secure the successful regeneration of this site.
- 1.2 The Council and landowner have identified the work needed to progress this:
- Phase 1 - Access and Constraints Plan. Timescale 6 months.
 - Phase 2 – (i) parameters plan (ii) options appraisals (iii) viability analysis (iv) Work leading to an outline planning application - preliminary ecological, topographical, flood, arboricultural (trees), traffic, landscape reports and others as necessary. Timescale 12 months.

The main output of this work will be a masterplan, which will inform future planning. The Council is in the process of securing funding to progress this work.

RECOMMENDATIONS

- 2.1 To note progress on the site, with particular reference to paragraph 4.18 of this report, 'Next Steps'.
- 2.2 To discuss the detail of the report, raise queries and make any appropriate comments or recommendations.

REASONS FOR RECOMMENDATION

- 3.1 To allow the Board to be updated on the Celanese site and the agreed position with the site owners and their consultants on the way forward for the site.
- 3.2 To allow the Board to discuss the information contained within the report and an opportunity to make any recommendations relevant to the detail of the report.

SUPPORTING INFORMATION

4.1 Location

The former Celanese site is located on Holme Lane, Spondon and covers an area of approximately 72ha (180 acres). It is located approximately three miles from Derby City Centre, via Brian Clough Way (A52).



4.2 Background

When fully operational the site was used to carry out a series of processes to enable the production of acetate material. Historically, the site has been intensively used providing in excess of 160,000sqm of floorspace and employing around 10,000 people at its peak. Operations at the site ceased in November 2012, with the exception of a relatively small area (approx. 3 ha) which remains in active use by Clarifoil, the diacetate film business of Celanese.

Demolition of the redundant buildings has been ongoing over the last two years and is now close to completion. Full decommissioning of the site is due to be completed by October 2017.

- 4.3 Since production ceased in 2012, discussions have been ongoing between the Council and the landowner, Celanese Acetate Limited (CAL). Discussions have focussed on the future use of the site, in the context of developing a bespoke policy AC (Area of Change) 13 in the Local Plan Part 1 (Core Strategy), to help guide future redevelopment.

Policy AC13 provides a flexible criteria based approach to enable the consideration of a wider range of future uses, including residential. The Policy recognises that any residential uses will need to be of a scale to generate a critical mass of development to create a new standalone community, due to the relatively isolated location of the site, in the context of the city. The policy approach was agreed with the landowner prior to the adoption of the Local Plan Part 1.

Policy AC13 can be viewed on the Council's Planning Policy webpage:

http://www.derby.gov.uk/media/derbycitycouncil/contentassets/documents/policiesandguidance/planning/Core%20Strategy_ADOPTED_DEC%202016_V3_WEB.pdf

It is important to note that the site could not be specifically allocated for residential development in the Local Plan Part 1 as there was not sufficient evidence to demonstrate that the site could be delivered within the Plan period (2011-2028). Evidence relating to the site constraints and the development of a masterplan will contribute to the understanding of deliverability, potentially enabling the allocation status to be reviewed through the Local Plan Part 2 process.

Constraints

- 4.4 **Remediation** – the scale of remediation required will depend upon the future use of the site.

It will be critical to understand cost of remediating the site and it may be beneficial to commission broad brush option analysis to determine the cost differential between a bare minimum option, an option providing new employment / commercial uses and a residential option.

Remediation of land is unlikely to commence for several months.

- 4.5 **Flooding** - the site is located within Flood Zone 3.

The site is predominantly located within Flood Zone 3, which means that it has a 1 in 100 or greater annual probability of river flooding. Consultants working on behalf of the landowner had initial discussions with the Environment Agency and Black and Veatch in relation to the emerging Our City Our River (OCOR) scheme back in 2013. It was identified at this point that the site is at risk from overland flooding flowing from the east of the site.

In order to address the flooding issue it is likely that a proportion of the site may need to remain undeveloped to allow the conveyance of flood water across the site from west to east. There may be an opportunity for the undeveloped area to potentially function as open space to serve the wider development and to incorporate some of the more contaminated areas that would require more extensive remediation if developed.

There is clearly a need to better understand potential flood risk on the site including the impact of the OCOR scheme and the flood alleviation measures that have been already been implemented to enable the construction of the Derby Commercial Park to the South.

- 4.6 **Access and Highways** – The site can currently be accessed via Station Road to the north, via the level crossing and from Raynesway via Megaloughton Lane to the west. Derby Commercial Park to the south of the site is accessed via a new road and river bridge providing direct access to the A6 and A50 beyond. This is an unadopted road which is owned and operated by Goodman Logistics.

Network Rail has raised concerns about any future proposals increasing the use of the level crossing at Station Road (Spondon), whilst access solely from the north utilising Megaloughton Lane and Raynesway is unlikely to provide a suitable access for a major redevelopment. It is therefore apparent that significant regeneration proposals will require new links to be provided to the north, including bridging of the railway line, or utilisation of the private road to the south through the Goodman site. However, there are likely to be sustainability concerns about a residential scheme being accessed in this manner.

It is unlikely that a bridge over the railway line could be provided on Station Road due to the proximity of residential uses. The most logical opportunities for new access points may, therefore, be via Anglers Lane or Megaloughton Lane. However, any access from the north will lead to additional impacts on the A52 and the Asda / B&M island. There are already concerns about the operation of this island.

Surrounding Uses – Severn Trent Water (STW) sewage treatment works is located directly to the west of the site. The STW facility is the main treatment works in the city. The STW site includes two large wind turbines and an application for an anaerobic digestion facility has recently been approved. The proximity of these uses will need to be taken into consideration when developing proposals for the re-use of the former Celanese site, particularly if a residential scheme is pursued.

Opportunities

- 4.7 **New Community** - The Local Plan Part 1 (Core Strategy) utilises the capacity of all suitable large scale residential sites within the city, to the point that around a third of Derby's housing needs up to 2028 will be met within adjoining authority areas. This is likely to create a significant challenge when the Plan is reviewed and the Plan period is rolled forward, as Derby will not be able to accommodate the vast majority of its own needs.

There will be significant pressure on the Council to maximise capacity within the City before adjoining authorities consider accommodating further needs emanating from the City. This means that the Council will need to carefully consider the potential of all promoted housing sites and explore all opportunities to overcome constraints, even on the most challenging sites.

In principle, the former Celanese site could provide an opportunity to create a new residential community entirely within the boundary of the City. It is the only vacant brownfield site within the City that has the potential and scale to accommodate a new residential community of in excess of 1000 dwellings.

However, as already noted, the site is constrained in terms of its relative isolation and the issues already highlighted. In order to overcome concerns about the relative isolation of the site, future residential development would need to be supported by a range of supporting facilities such as a primary school, shops and other community facilities. Small scale housing development or mixed use development that failed to create a critical mass to support the provision of such facilities is unlikely to be acceptable in planning terms.

- 4.8 **Rail Connectivity and Proximity to HS2** - The site is one of the few areas of the City specifically served by a railway station. Spondon railway station is located on the northern perimeter of the site, providing limited services to Derby and Nottingham.

The arrival of HS2 at Toton will increase the importance of the rail link between Derby and Nottingham with the potential for shuttle services between Derby and Toton.

The confirmation of Toton as the East Midlands HS2 hub station provides greater emphasis to considering future growth options on the eastern side of the city. This is further emphasised by the increasing cooperation between Derby and Nottingham as part of a potential 'Metro Strategy'. Growth options outside of the Green Belt in the area between Derby and Nottingham are limited, increasing the importance of maximising brownfield opportunities within the A52 corridor.

The site is also served by a rail head which enters the site at the northern extent. This could provide opportunities for a potential rail freight interchange linking with the existing Derby Commercial Park, to the South.

Relationship of site to future HS2 railway station at Toton



4.9 Proposed Work

Working with the landowner, it has been agreed that the most appropriate approach (based on current context) is to explore the opportunities and constraints facing the site through the development of a Masterplan. Phase 1 of the agreed work will seek to understand the constraints, focussing on the fundamental issue of highways and access. This work could potentially be used to inform the development of a detailed Local Plan Part 2 policy, to supplement adopted Policy AC13.

We have agreed in principle with the site owners that we will jointly fund the Phase 1 works, the Access and Constraints Plan and the Council is applying for funding through the Homes and Communities Agency.

Subject to the results of Phase 1 and securing additional funding, we would then progress to Phase 2:

- Parameters plan.
- Options appraisals.
- Viability analysis.
- Work leading to an outline planning application - preliminary ecological, topographical, flood, arboricultural (trees), traffic, landscape reports and others as necessary.

This work will lead to the production of an indicative masterplan, which will inform future planning.

4.10 Likely Timeframes

Phase 1 – 6 months, Phase 2 12 months. Future capital phases will take much longer, due to the scale and complexity of the works, estimated 10-15 years. The site is not allocated for employment or housing uses within the current Local Plan period.

4.11 The Council's Roles and Responsibilities:

The Council's role in this site going forward will be to facilitate this work, in partnership with the site owner, consultants and potential developers, to continue to lead the site partnership and to identify funding opportunities for the work that needs to be done.

There is no financial commitment from the Council required at this stage, although there is a commitment of officer time and resources and the Council will be applying for external funding to drive the project forward.

OTHER OPTIONS CONSIDERED

- 5.1 Do nothing – this is not considered to be an option, due to the size and scale of the site and the potential regeneration benefits. The site is also identified as an Area of Change (AC) 13 within the Local Plan Part 1 (Core Strategy).

This report has been approved by the following officers:

Legal officer Financial officer Human Resources Officer Estates/Property Officer Service Director Other(s)	Emily Feenan, Principal Lawyer Martyn Marples, Director of Finance David Cox, Head of Human Resources Jayne Sowerby-Warrington, Head of Strategic Asset Management and Estates Greg Jennings, Director of Regeneration, Property & Housing Christine Durrant, Strategic Director of Communities and Place
For more information contact: Background papers: List of appendices:	Chris Morgan 01332 641596 Email chris.morgan@derby.gov.uk Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

- 1.1 There are no financial implications to the Council of this report.

Legal

- 2.1 As above, there are currently no legal implications for this project.

Personnel

- 3.1 The Council is committing officer time and resources to further developing this project,

IT

- 4.1 There are currently no IT implications for this project.

Equalities Impact

- 5.1 There are currently no equalities implications for this project.

Health and Safety

- 6.1 There are currently no health and safety implications for this project.

Environmental Sustainability

- 7.1 There are currently no health and safety implications for this project.

Asset Management

- 8.1 There are currently no asset management implications for this project.

Risk Management

- 9.1 There are currently no risk management implications for this project.

Corporate objectives and priorities for change

- 10.1 Future phases of the project will contribute towards creating for the people of Derby:
- An inspiring working life by improving skills and creating jobs
 - An inspiring place to live by improving inner city areas.