

**STROUD DISTRICT COUNCIL**

**STRATEGY AND RESOURCES COMMITTEE**

**THURSDAY, 3 APRIL 2025**

<b>Report Title</b>	<b>Delivery Strategy and Output Specification for Cheapside Redevelopment Area, Stroud</b>
<b>Purpose of Report</b>	To seek approval to the Output Specification which sets out the council's vision and objectives for the project as landowner and the proposed Delivery Strategy for the redevelopment of Cheapside in Stroud.
<b>Decision(s)</b>	<p><b>The Committee RESOLVES:</b></p> <p><b>a) To approve the Output Specification for the project and to delegate authority to the Head of Property Services in consultation with the Chair and Vice Chair of Strategy and Resources to make minor amendments to this document prior to finalising the document for the launch of the procurement process.</b></p> <p><b>b) To approve the broad principles for the proposed delivery strategy for the redevelopment of Cheapside Redevelopment Area by means of seeking a development partner/s subject to a further report to Committee to approve the final approach and the Heads of Terms for the development agreement, the procurement process and associated documents and further details on the improvements to parking arrangements for the town and station.</b></p>
<b>Consultation and Feedback</b>	<p>Consultation has taken place with the Senior Leadership Team, the Chair of Strategy and Resources Committee, the Regeneration Investment Board and the ward councillor. They have all been supportive of the proposals subject to Committee approval.</p> <p>A workshop was held to develop the vision and objectives set out in the Output Specification with members, rail partners (Network Rail, Great Western Railway and London and Continental Railways) and key stakeholders including Stroud Town Council, Gloucestershire County Council, Stroud and District Chamber of Trade and Commerce and Stroud Valleys Canal Company.</p> <p>Consultation has also taken place with local residents and businesses and the Output Specification was published on our</p>

	website for feedback from the public. A total of 43 responses have been received.			
<b>Consultation and Feedback continued.</b>	The comments received from all parties have been considered when finalising the report and the Output Specification attached. Whilst many of the comments were supportive of the vision and objectives for the area, there is clearly also concern regarding the potential loss of car parking and a detailed Car Parking Study is attached at Appendix C to provide detailed data and analysis on this subject.			
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<b>Options</b>	The Council could decide to develop the land to the west of Hill Paul only and to not look comprehensively at the whole area. This would limit the ability for the council and its partners to realise its vision for the wider regeneration of the Stroud Station Quarter.			
<b>Background Papers</b>	None			
<b>Appendices</b>	Appendix A – Site Plan Appendix B - Output Specification Appendix C – Stroud Car Parking Study			
<b>Implications (further details at the end of the report)</b>	Financial	Legal	Equality	Environmental
	Yes	Yes	No	Yes

## 1. BACKGROUND

- 1.1 As member's will be aware, one of the council's key priorities in the Council Plan, as approved by Council on the 13 February 2025, is to support the delivery of key regeneration sites across the district by enabling and influencing significant infrastructure projects and investments.
- 1.2 One such project is the regeneration of Stroud Station Quarter, a key strategic site situated at the heart of the town. Stroud station is pivotal in facilitating the town's connectivity, serving both commuters and tourists across a wide catchment area. Despite its vital role, the station's existing environment offers a poor sense of arrival and onward transport connectivity. There is no level access to platforms, leading to a suboptimal experience for rail users. Stroud needs more sustainable housing and land could be more effectively used.
- 1.3 Stroud District Council, Network Rail, Great Western Railway and London Continental Railway are working together, along with its key stakeholders, on a renewed vision and masterplan for the Station Quarter. The aim is to create an improved 'sense of arrival' to the town and a higher quality of public realm. People will be inspired to stay and dwell in the vicinity and pedestrians and cyclists will be encouraged with improved access and facilities. Underused buildings will be re-purposed for community use and landmark buildings will create a sense of place. Access to rail services will be easy, intuitive and inclusive of all. Strong connections will be made between the north and south of the station, improving links and accessibility between the canal, station and town centre. Land around the station will be consolidated to provide new energy efficient homes, with land receipts used to plough back into the station improvements.

- 1.4 Above all the station's functionality and aesthetics will reflect Stroud's unique character and encourage confidence in investment and regeneration across the district.
- 1.5 The purpose of this report is to concentrate on the land to the south of the station in the ownership of the council, known as the Cheapside Redevelopment area and shown on the plan at Appendix A outlined in blue and presents the delivery strategy for the site and also the council's vision and objectives as set out in the Output Specification, (hereafter "OS"), attached at Appendix B.
- 1.6 This OS has been drafted to support the procurement of a developer for the Cheapside Redevelopment area to the south of the station and sets out the Council's requirements for their land, which will be used as a baseline for the procurement of a developer.
- 1.7 The land in yellow at Appendix A is owned by Network Rail and whilst the council is working together with Network Rail to bring the whole site forward, their land does not currently fall within the Output Specification as it is subject to their further internal approvals and review.

## **2. OUTPUT SPECIFICATION**

- 2.1 **The Output Specification** is attached at Appendix B. It sets out the Council's vision, objectives and requirements and provides information about the site and its existing condition. Developers will be clear about our vision for the site and will need to respond to the details within the document in their tender submissions.
- 2.2 A workshop was held on the 11 December 2024 to establish a shared vision and objectives for the Cheapside Redevelopment Area and was attended by members and officers of the council together with representation from Network Rail, Great Western Railway, London and Continental Railways, Stroud Town Council, Gloucestershire County Council, Stroud and District Chamber of Trade and Commerce and Stroud Valleys Canal Company. The feedback was gathered into a report which was used to draft the OS.
- 2.3 A press release was published on the 4 March with a link to the OS in order that the public could provide their feedback to the proposals. The OS has been reviewed in response to the feedback and updated where required.
- 2.4 A set of Frequently Asked Questions is being prepared and will be added to the council's website in order that all those that provided feedback can review the responses to all the questions raised.
- 2.5 As expected, there are clearly some concerns regarding the loss of car parking at Cheapside and this is addressed in the report.

## **3. CAR PARKING**

- 3.1 The council and its partners are clear that in order for the Cheapside Redevelopment to be a success and to realise the vision for the area there has to be sufficient car parking for both the station and the town.
- 3.2 Our rail partners' involvement in the project is to provide a better experience for its customers in Stroud and for more people to use the station. This will only happen if there is sufficient car parking to do so. This is why the council, in conjunction with London Continental Railways (LCR) commissioned transport consultants to carry out a Car Parking

Study to outline the existing demand and utilisation of the car parks within the town centre so that robust and clear data is available for any decision making for the project.

- 3.3 Attached at Appendix C is the Stroud Car Parking Study. This sets out the policy and guidance context, the data collection results, some recommendations and the summary and conclusions. Set out below are some key conclusions from the report.
- 3.4 Car parking surveys were carried out using Automatic Number Plate Recognition cameras across 8 car parks including Cheapside, Station North, Station South, Five Valleys, Parliament Street, Brunel Mall MSCP, London Road and Church Street on 7 different occasions including weekdays, Saturdays, and event days such as the Food and Drink Festival and the Goodwill evening.
- 3.5 The results demonstrate that when Cheapside parking is removed and occupancy is reallocated to other car parks, there is generally sufficient space to accommodate the demand. Only one day experienced high utilisation that resulted in reallocation pushing parking over capacity and that was on the day of the Food and Drink festival. Whilst it may not be appropriate to have sufficient car parking to only cater for these event days, which are considered a worst case scenario, options would need to be discussed to manage the demand on these occasions such as the use of private car parks, park and ride, encouraging other modes of transport etc to prevent demand exceeding capacity. These options would need to be explored and finalised before any loss of car parking at Cheapside occurs.
- 3.6 Other measures would also need to be considered to ensure that this does not have a negative impact on the town or local network. A signing strategy may be required to ensure that the alternative car parks are fully utilised, to include wayfinding signs and introducing Variable Message Signs on key routes to aid in directing users to key car parks. Active Travel and sustainable transport promotion measures need to also be considered to reduce private vehicle parking, for those that are able, with the introduction of a mobility hub, car clubs and secure bike storage.
- 3.7 The council and its rail partners manage 6 out of the 7 alternative car parks in the town and so can consider the charging and time restrictions across its stock to make sure that the alternative car parking is as accessible and flexible as Cheapside. Ensuring that other car parks can provide overnight parking being a case in point.
- 3.8 Data analysis of Cheapside car park revealed that cars were recorded to park at Cheapside for an average duration of two to three hours. These results suggest that typically, users would not park at Cheapside to access the train station but were parking to access the town centre. This assumption is supported by the interview survey results that were undertaken to determine why people are using the station and Cheapside car parks and whether it is solely for use of the railway station or if it is parking for access to Stroud town centre. Of those who parked in Cheapside, 48% said that the purpose of their journey was for shopping or leisure on the Thursday. On the Saturday, 87% of respondents who parked at Cheapside were in Stroud to attend the market or food festival or were there for leisure and to shop. These results demonstrate that the majority of users who park in Cheapside do so to access the town and not the railway station.
- 3.9 It is recognised that accessibility of the parking to the station is key for users of the station and this cannot be resolved completely until there is step free access across the platforms since whichever side you park on you will need to reach the other side on your return journey. This is an issue for many of the stations across the network and is why the

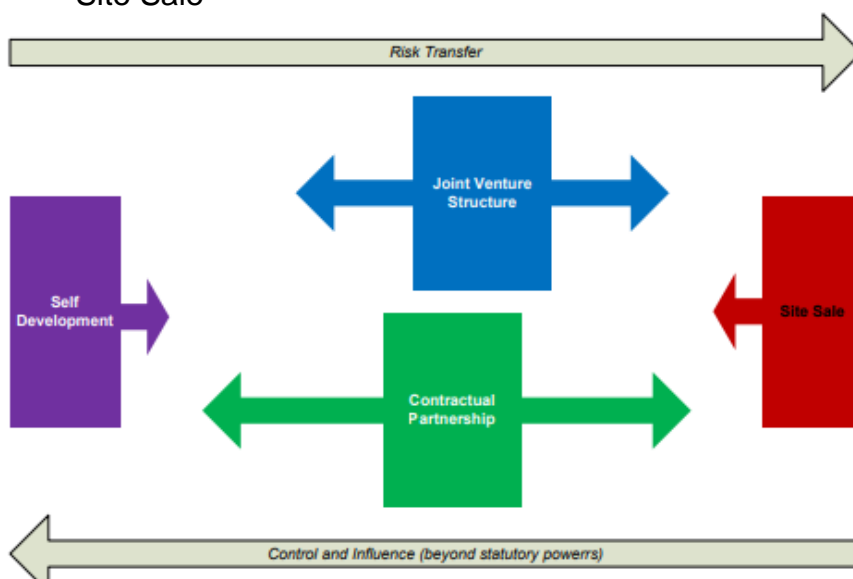
Department for Transport has an Access for All Programme to provide the capital funding for projects to deliver the step free access. Each year this programme is oversubscribed due to the high number of stations in this position but also due to the high capital value of these projects. In 2024 Stroud station was one of three stations across the south west that were added into the programme and funding will be forthcoming if a viable option can be found. Feasibility work is currently taking place to assess the options.

- 3.10 The council is already committed to opening up Brunel Mall multi storey car park to the station as part of the overall station proposals and is in discussion with Network Rail regarding the land between the car park and The Goods Shed to ensure that any journey from the car park to the station would be over land that is well lit and in a good state of repair. The wider vision for this area reached a major step forward on the 25 March when The Goods Shed was acquired from Network Rail to safeguard Stroud Valley Artspace's future and will enable them to proceed to obtain further funding for their improvement plans.
- 3.11 It should be acknowledged that at the moment 34 spaces have been removed from the southside of the station to accommodate the footbridge as it has been removed and installed in the car park for refurbishment. This work started in November and is continuing until May and during this time Cheapside has been fuller than usual as the displaced parking has moved on to Cheapside.
- 3.12 There would be no loss of car parking until a viable scheme has been submitted and a developer selected. Addressing the loss of parking will be part of the planning process and conditions with regard to this may be imposed. Any redevelopment would not start until planning permission has been granted.

#### 4. DELIVERY STRATEGY

- 4.1 There are a number of potential delivery structures that could be adopted by the Council for the redevelopment of the council's land; these options consider the scale and nature of the development and the risk appetite of the council as illustrated below. The four main delivery options considered for this development are;

- Self-Development
- Contractual Partnership
- Joint Venture Structure
- Site Sale



- 4.2 A **self-development** approach would see the Council taking full development risk. The approach has the potential to generate the highest level of return as the Council retains all land value and development profit, but the returns come from the increased level of risk taken. This risk would include all cost risk, design risk and demand risk from the sale of the developments. Given the scale and complexity of the site the Council would probably not have the appetite and the resources available to take the sites forward or underwrite any potential losses. Resources can clearly be bought into the Council to increase capability but 100% of the delivery risk would reside with the Council.
- 4.3 **Joint ventures** (hereafter “JVs”) have been a popular route for property development for Local Authorities across England for a number of years and have been used to develop housing, commercial office space and retail development. JV’s can vary vastly in scale and complexity and can come in a number of legal forms such as limited companies and limited liability partnership. The majority of JV’s follow the basic principles that a new organisation is created in which the Council invests its land holding into the JV and this land value is matched by an equivalent investment by the Private Sector Partner (hereafter “PSP”) to create a 50:50 partnership. The JV undertakes a range of development activity and the partners share the development returns based on their percentage ownership of the JV. In this instance, Network Rail could also be part of the JV by bringing their land into the arrangement.
- 4.4 The key advantages of JV’s are that the council would be able to exercise a level of influence and control as a major stakeholder in the JV and is able to rely on the delivery capability and capacity of the JV partner – their “know how”. In accounting terms, only a proportion of the debt raised would be on the Council’s balance sheet therefore increasing the Council’s overall funding capacity. Formal JV’s can be complex to establish and are often used when Local Authorities have a significant property portfolio or a major pipeline of development activity (e.g. 10 years)..
- 4.5 Under a **contractual partnership**, the council would appoint a development partner: this is in effect a JV established by a contract rather than a body corporate. The council would be able to establish, via the development agreement, its expectations on quality and design for the scheme (as set out in the OS). The development partner would then develop the site within these parameters and retain a share of the development returns with the Council on an agreed basis. Advantages are similar to that of the JV above, however, operation and management are different (both are complex and time consuming). Unless some form of framework could be utilised (such as the Homes England Developer Partner Panel which has been successfully used on similar schemes) the JV or Development partner would need to be procured under current procurement rules.
- 4.6 The Procurement Act 2023 established new rules on the 24 February 2025 and brought in with it a new ‘competitive flexible’ route to procure a developer partner. This procedure provides contracting authorities with the opportunity and flexibility to design and undertake a bespoke multi-stage procurement process and can include stages of negotiation, dialogue, presentations etc to procure the right solution and reduce risks and will enable the council to engage with suppliers throughout the process. It can be designed to fit the market and reduce barriers to attract a more diverse range of suppliers including SMEs.
- 4.7 The key advantage of this option over the site sale option is that the Council retains a higher element of control over the pace and quality of the development whilst not directly taking development risk.

- 4.8 The **site sale** option is a low risk route that requires minimal further investment by the Council. The council and Network Rail would market the site(s) and dispose of them to generate a capital receipt. The council could enhance the value of the site by taking it through the planning process to obtain planning consent to de-risk the site for the end buyer. The approach has the ability to generate short term capital receipts but gives the Council minimal control over the future development of the site beyond its statutory role as planning authority. The Council therefore has no control over the creation of quality developments that have a wider community benefit. The potential to share in the development proceeds (beyond the land receipt and any overage provisions which are notoriously difficult to structure and “police” effectively) or generate revenue income from the development can also not be realised through this option.
- 4.9 Due to the council’s wish to have some control over the outcome and to be able to deliver to its objectives in the OS, but not to take all the development risk, it would seem that the optimal routes to delivery for the council would be either a JV or contractual partnership arrangement.
- 4.10 The contractual partnership route is the route that has been used at Brimscombe Port and therefore officers have experience of working with this form of delivery strategy. The current proposal is for the council to work together with Network Rail to deliver the comprehensive redevelopment of the area. Either of these options would enable the parties to work together to select a developer partner.

## **5. NEXT STEPS**

- 5.1 Further de risking of the site is required to include a ground investigation survey and a baseline Biodiversity Net Gain assessment which will be required for any future planning application.
- 5.2 Due to the complexity of the site and the desire to deliver a high quality sustainable scheme, the council is to explore with its rail partners whether public funding is available to assist with any viability gaps.
- 5.3 The council will review the recommendations within the Stroud Car Parking Study with key stakeholders and consider how to take these forward, which will need to be done prior to any loss of car parking.
- 5.4 The council has been working closely throughout with Network Rail and further meetings are set up to finalise discussions regarding a combined approach to the redevelopment of the area and if appropriate to sign a collaboration agreement between the parties.
- 5.5 For the project to proceed, subject to Committee approving the delivery approach, a procurement process would need to be followed, which can take up to 9 months, followed by the preparation and submission by the developer of a planning application.

## **6. CONCLUSIONS**

- 6.1 The Stroud Station Quarter project is a great opportunity to realise the shared vision of the council, its rail partners and key stakeholders to regenerate the station and improve the experience for station users whilst delivering much needed high quality sustainable homes in the town centre. The impact and value of this site cannot be underestimated in terms of

its importance to the town centre, the station and the canal and the economic and strategic benefits to the town and the wider district.

- 6.2 The council is very clear that to ensure the success of the overall project, sufficient car parking needs to be provided for those either accessing the station or the town centre. The Station Parking Study confirms that the displacement of parking at Cheapside could be effectively reallocated to the alternative car parks within Stroud on all but event days. There is work to do on the event management proposals that could be introduced on those event days and to review the management of the car parks across the town to ensure that accessible, flexible, short and long stay parking is provided to meet the needs of the town and the station.
- 6.3 It is recommended, therefore, that the council approves the Output Specification for the redevelopment of the council's land at Cheapside and approves the broad principles for the delivery strategy for any future proposed scheme via a joint venture or contractual partnership approach.
- 6.4 Following completion of the issues set out in section 5, the proposal is to return to Strategy and Resources Committee in early autumn with further details on the parking arrangements for the station and the town, the draft Heads of Terms for any proposed future Development Agreement and a timeline for the project.

## **7. IMPLICATIONS**

### **7.1 Financial Implications**

There are no costs directly associated with the decision in this report. Should any costs be identified in the future this would be reported back to this committee and additional budget requested.

A budget of £1.535m was approved by Council for the purchase of the Coal Yard (previously known as Bath Place) which forms part of this site. Following the purchase there is remaining budget of £0.159m which is allocated for feasibility, architect, legal, procurement and planning fees for this site.

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### **7.2 Legal Implications**

In the event of a Site Sale, section 123 of the Local Government Act 1972 allows the Council to dispose of land, provided it secures the best consideration reasonably obtainable. Failing to obtain best consideration would mean that the property is sold at an undervalue, for which the Secretary of State's consent is required (either general or specific).

The advice of an independent valuer should also be obtained and followed.

If the Council is looking to grant residential tenancies of part of the land, such residential tenancies will be secure tenancies and will be subject to the Right to Buy. The Council

legally cannot grant private residential tenancies but may be able to do so via an intermediary such as a registered provider of social housing.

As referred to in the report, the appointment of a development partner will require a procurement that complies with the Council's Contract and Procurement Procedure Rules and the Procurement Act 2023.

Assuming that the Council is not undertaking the development for a commercial purpose but for socio-economic ones, it can carry out development without setting up a company pursuant to the general power of competence under Section 1 of the Localism Act 2011.

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### **7.3 Equality Implications**

An EIA is not required because there are not any specific changes to service delivery proposed within this decision.

### **7.4 Environmental Implications**

The Council is committed to ensuring that the development is delivered in a sustainable manner, not just in the short-term delivery but in the long-term use and operation of buildings. Section 9 of the Output Specification sets out the development sustainability requirements for the project to support the achievement of the Council's Climate and Nature Strategy.