

Briefing Note

Former Bromyard Depot Development Options

November 2024

Background

Officers were requested to investigate the development options for its land holdings off the A465 at Bromyard, the former Highways depot and adjacent paddock.

Officers were asked to investigate 2 options;

- A. Mixed use – employment on the former depot and residential on the paddock
- B. 100% residential

Following initial discussions with Housing and Planning colleagues and some market research around employment accommodation needs in the county, architects IDK were appoint to produce concept studies.

Development Options

The following table outlines the published housing requirements for Bromyard as identified in the Reg 18 local plan

Bromyard growth strategy	750
Windfall allowance	76
Existing commitments at 2023	99
Built 2021 - 2023	3
NDP allocations without planning permission	0
Total accounted for	178
Residual growth target	572
5% lapse rate on commitments not started	5
10% buffer	57
Bromyard growth target	634

The table below shows the 2024 figures for the Housing Land survey, the results of which are yet to be published.

Mkt Town	Not started 2023/24	Under Con 2023/24	Comp in year 2023/24	Lost through con	Lost through demolition	Net commitment
Bromyard	93	12	4	0	3	102

Therefore to update the housing requirement table above the new figures for demand are shown below, I

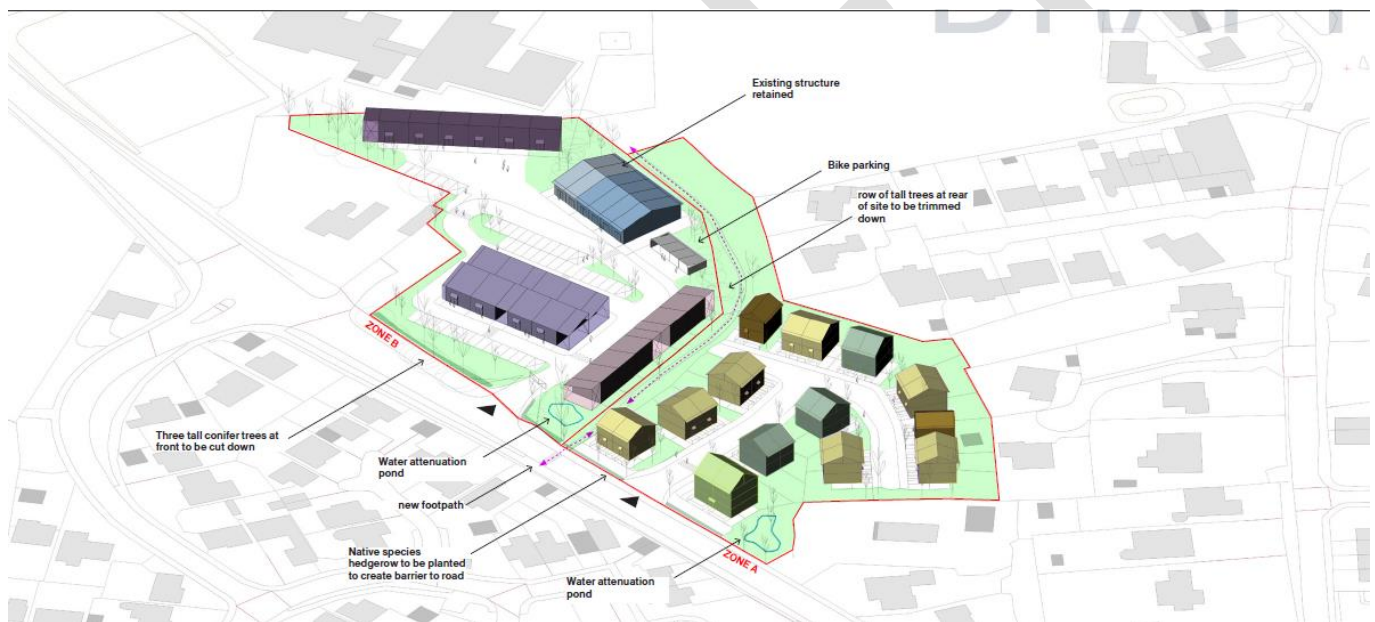
Bromyard	
Net Completions at 23/24	Net Commitments 23/24
3	103

This revised the required house numbers to meet the growth targets of 630. Housing services have stated that they Struggle to get registered provides to take affordable stock via S106 contributions, or develop 100% affordable schemes in the settlement, and thus have recommended that affordable rent is the appropriate delivery option.

The Employment land study 2022, indicated that there is a need for 4ha of employment land within Bromyard. With 0.27ha currently being met. The emerging policy within the Reg18 draft plan was for a 4ha site, adjacent to the Linton trading estate with a focus on an eco-hub scheme as identified in the market town investment plan and promoted by others, but this site has impact and ecology issues which will need to overcome.

IDK have undertaken a site visit and appropriate due diligence including the above information and information from the previous, expired, approval and produced 2 option studies in accordance with the project brief, copies of the study and corresponding high level viabilities produce in house are attached to this paper, but the options are summarised below

Option A – Mixed use



COMMERCIAL (ZONE B)						
AREA #2	UNIT REF	UNIT TYPE	STOREY	N° UNITS	TOTAL AREA (#2)	
602	U1	MONO PITCH	1	6	3612	
602	U2	MONO PITCH	1	5	3010	
602	U3	MONO PITCH	1	8	4816	
752	U4	PORTAL	1	6	4512	
				TOTAL	25	15950

*Capacity measures of 50% surface

**Units U4 sub divided into 376sqft units

***Single storey, double height spaces

TOTAL CAR PARKING

1 Space per 265sqft 10% Accessible 2% Moto

HOUSING (ZONE A)						
AREA #2	UNIT REF	UNIT TYPE	STOREY	N° UNITS	TOTAL AREA (#2)	
574	1BA	1BED APART	3	6	3448	
775	2BH	2BED HOUSE	2	6	4650	
995	3BH	3BED HOUSE	2	14	13538	
1162	4BH	4BED HOUSE	2	2	2324	
				TOTAL	28	24360

*1 BED Apartment single storey

TOTAL CAR PARKING 200%

SUMMARY

Housing Units	28	24360
Commercial Units	25	15950
Gross Site Area (Acres)	3.5	

- Option A – mixed use
 - Commercial - 25 units, total 15,050 sqft, potential 170 jobs, annual rent roll £259,800pa debt and management fees £245,746pa, £14,050 pa surplus ROCE 14.9% PBIT 12.96%, potential 171 jobs using govt. density guidelines.

- Residential - 28 units mix 1,2,3 and 4 bed, all for rent 40% allowance affordable at 80% OMR, 11 no units, annual rent roll £289,266, annual debt and maintenance costs £289,027, surplus £238 pa, ROCE 12.38%, PBIT 11.01%
- OMR – open market rent, ROCE – return on capital employed, PBIT – profit before interest and tax

Option B – 100% Residential



HOUSING (ZONE B)					
AREA #2	UNIT REF	UNIT TYPE	STOREY	N° UNITS	TOTAL AREA (#2)
574	1BA	1BED APPART	3	12	5888
775	2BH	2BED HOUSE	2	6	4650
995	3BH	3BED HOUSE	2	10	5950
1162	4BH	4BED HOUSE	2	4	4545
				TOTAL	32
					26136

*1 BED Apartment single storey

TOTAL CAR PARKING 200%

HOUSING (ZONE A)					
AREA #2	UNIT REF	UNIT TYPE	STOREY	N° UNITS	TOTAL AREA (#2)
574	1BA	1BED APPART	3	6	3448
775	2BH	2BED HOUSE	2	6	4650
995	3BH	3BED HOUSE	2	14	13938
1162	4BH	4BED HOUSE	2	2	2324
				TOTAL	28
					22036

*1 BED Apartment single storey

TOTAL CAR PARKING 200%

SUMMARY		
Housing Units	58	48172
Commercial Units	7	7
Gross Site Area (Acres)	3.5	

- Option B – 100% housing
 - 60 units , mix 1,2,3 and 4 bed, all for rent, 40% affordable at 80% OMR, 24 No units, annual rent roll ££602,867, annual debt and maintenance £596,449, surplus £6,418 pa, ROCE 13.62%, PBIT 11.99%

The employment space is design to be flexible and appeal to professional and small scale hi tech manufacturing SME and start-up companies needing to move from or as an alternative to co-worker and services office space and is a type of accommodation in short supply in the County. The 'cross roads' location of Bromyard between Worcester, Leominster and Hereford is seen as attractive to this type of company.

The mix of house sizes reflects the demand profiles on the councils housing needs register and offer the potential for the Housing services teams to house some of the families currently in temporary accommodation, which could offer revenue savings of up to £180,000 pa based on current spend, Both accommodation format and options will include green energy and be built to high standards. There is also the option of creating a footpath links through the site to access the school from the housing estate on the eastern side of the A465 to reduce the number of children walking down the main road.

Delivery Method

It is proposed that the council direct delivery the development, securing planning for the wider scheme and then procuring a contractor the construct the units. If Option A is selected then the commercial units

would be managed by the Council's asset management team and the residential units would be let and managed by an external agency with the council having 100% nomination rights/control over the 'affordable rent' units. Costs for these services have been provided for in the initial viability.

Timescale

The former Depot is currently vacant, but although the council own the whole site, there is an agriculture holding act tenancy on the paddock. To gain vacant possession of this area the council would need to give 12 months' notice from the next anniversary of the lease which is March 2024. To be able to serve that notice the council will need to demonstrate a clear intent to use the land for an alternative purpose i.e. develop the site. To avoid any possibility of challenge it is recommended that planning be secured as irrefutable grounds.

The layout in Option A does allow the 2 elements to be developed independently.

The indicative timetable for the development work is;

Appoint Architects – December 2024

Target planning application March 2025

Planning approval - June 2025

Discharge planning conditions and tender for contractor – August 2025

Appoint contractor - September 2025

Start on Site – November 2025

First units - June 2026

36 month build period.

NB this may need to be amended to reflect the council's governance process, once a decision to proceed has been made.

Conclusion

This site offers the opportunity for the council to take the direct lead in the delivery of much needed market and affordable rent housing and quality flexible employment space, to meet the needs as identified in the housing and employment land surveys that supported the Reg 18 Local Plan.

It could also act as a pilot scheme to establish the principles for a potential Council owned arm's length development company, creating added value and revenue from the council's assets, offer the potential for revenue savings and revenue generation from asset backed investment.