

Rutland – One Public Estate

St George's

**Memorandum of
Understanding between
Rutland County Council and
the Ministry of Defence**



St George's Barracks – Memorandum of Understanding – Appendix A

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Section 1 - Overview of the project

1.1 Background, our vision & preferred scenario

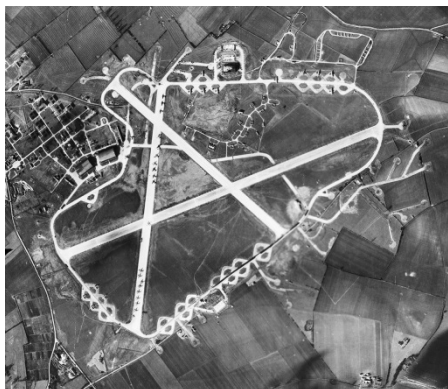
Background

1.1.1 The opportunity for this project arose as a consequence of the Ministry of Defence decision in November 2016 under A Better Defence Estate¹, to declare St. George's Barracks, North Luffenham surplus to operational requirements and programmed for disposal in 2020/21

1.1.2 Preliminary discussions between RCC and the MOD made it clear that there was a willingness to explore the opportunities for the future of the site post 2020/21 and an appetite to work together in a new and innovative way to maximise the government objectives presently exemplified by the One Public Estate (OPE) outcomes for the site.

1.1.3 St George's is a 300 hectare site situated between the villages of Edith Weston and North Luffenham in the County of Rutland.

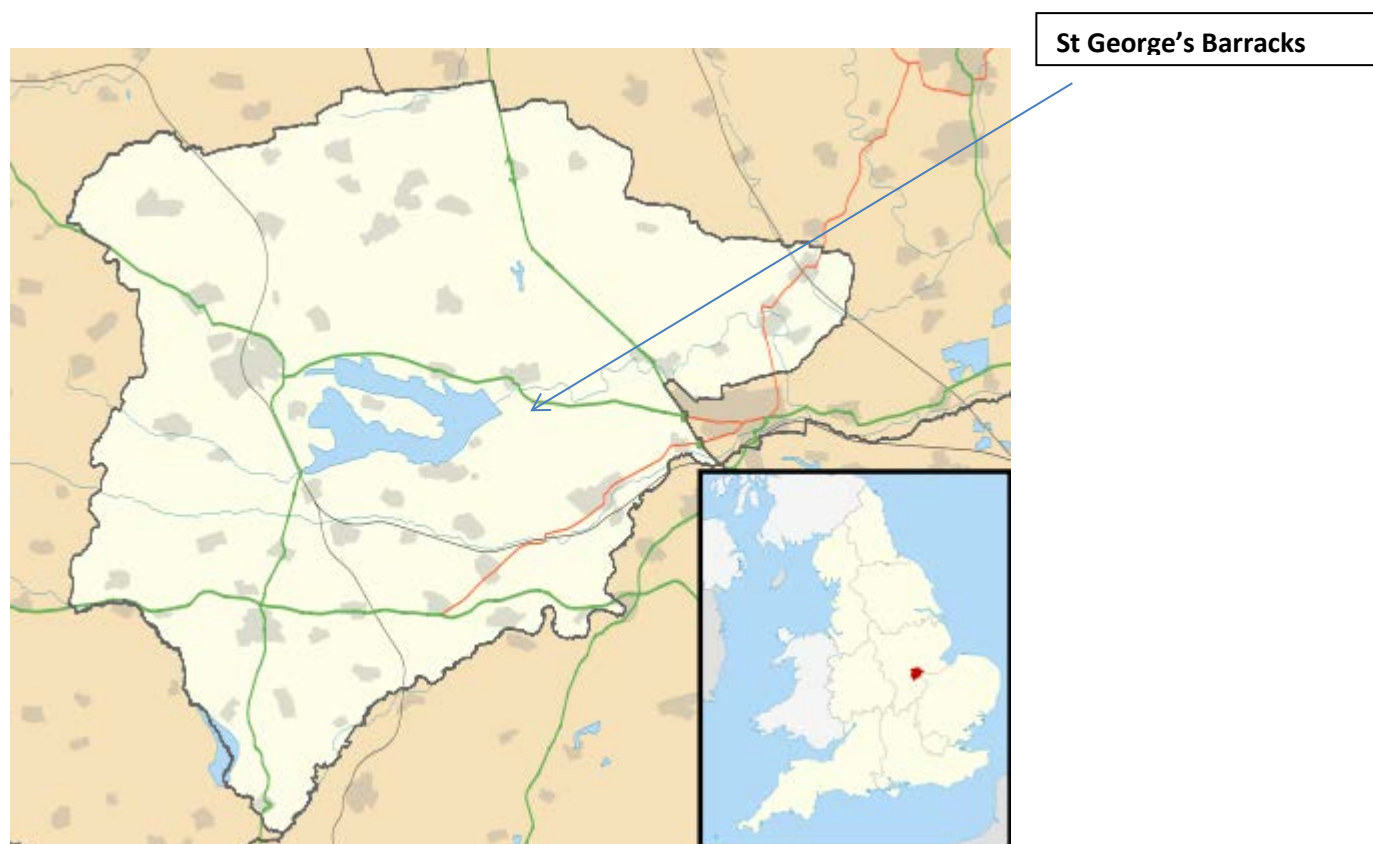
1.1.4 Prior to 1998 when it became St George's the site was known as RAF North Luffenham. Originally built as a training airfield opening in 1940 later becoming a heavy bomber base during WW2. In 1951 the station was transferred to the Royal Canadian Air Force before returning to RAF control in 1959. 1959 – 1963 North Luffenham was the base for PGM-17 Thor missiles (now a Grade II listed part of the site). The RAF continued with various uses of the site until 1998 when it was taken over by the British Army and renamed St George's Barracks.



Aerial photograph of St George's taken in 1944.

¹ A commitment to invest in a better built estate that will reduce in size by thirty per cent by 2040. The Strategy aims to better support military capability, allow the formation of clusters of sites which facilitate the co-location of similar functions, and dispose of underutilised sites for which there is no longer a long-term Defence requirement. The Ministry of Defence (MOD) is under remit to maximise value through the disposal of sites and has a target to provide land for 55,000 dwellings this Parliament.

1.1.5 The current site is ideally located with close proximity to Rutland Water and the A1.



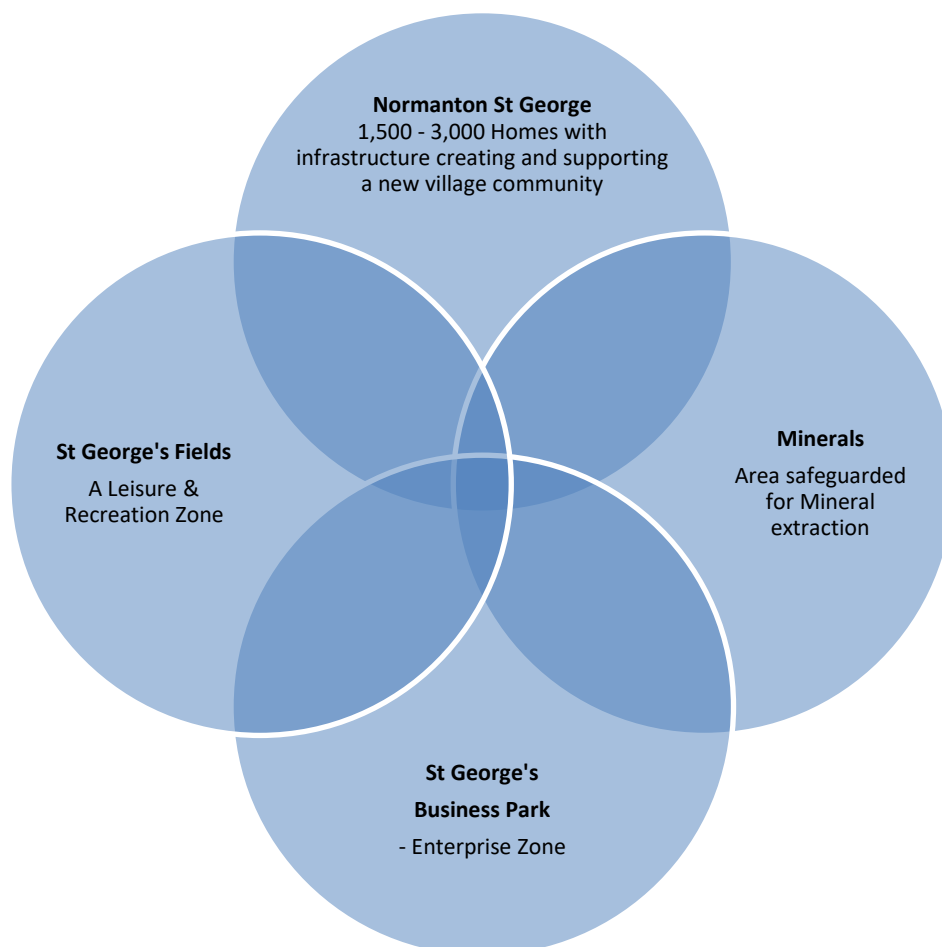
1.1.6 The Army are and will remain a significant part of the Rutland Community and the impact felt by the closure of St George's will be significant. It is therefore vital that the future of the site is considered carefully. This will ensure that the MOD is able to capitalise on the value of the site and the Council is able to deliver genuinely sustainable development in one of the most beautiful and high value locations in the East Midlands.

1.1.7 The long term plan is therefore to develop the site in partnership over a 10 year period² post closure. This document outlines how the principal parties will collaborate to ensure this will be achieved.

² Indicative at this stage

Our Vision

1.1.8 Our shared vision is that St George's site will be transformed into a successful mixed use, sustainable community comprising Four distinct but inter-connected zones - A new 'Garden Village'- Normanton St George³, St George's Business Park (an enterprise zone), St George's Fields (Leisure and Recreation) and an area of the site that dependent on surveys may be safeguarded for minerals extraction. The Council is keen to ensure that the appropriate infrastructure to support Normanton St George is developed in advance of occupation. This will be a fundamental strand of the development of the masterplan for the site.



⁴ See footnote

Please be advised that 'Normanton St George' is a working name only and is not confirmed.

³ Working name for new village

⁴ Number of properties is entirely indicative at this stage based on the 'Garden Village' size guidance

1.1.9 **Table 1 outlines at the highest levels both** Rutland County Council and MOD Headline Objectives for the site and the project.

Table 1

Rutland County Council	MOD
<ul style="list-style-type: none"> • To ensure that the supporting infrastructure is in place where appropriate prior to development • To develop the site as a sustainable Garden Village (see definition at Annex A for guidance) • To support Economic Growth and employment within Rutland • To explore the recreation and leisure opportunities for the site to compliment the local area and Rutland Water • To possibly bring forward for development in advance of the main site the Officers Mess and the land at the North of the site current in use by Third Parties • To support the delivery of MOD’s objectives 	<ul style="list-style-type: none"> • To generate a capital receipt for the site • To facilitate the development of housing that will contribute towards the Governments new housing targets • To support the development of a ‘sense of place’ that will make a positive contribution to the economic prosperity of the Country • To support the delivery of the Council’s objectives

1.1.10 **Normanton St George** will be designed to replicate a Rutland village community. The homes we will create will be at a density appropriate for the location⁵ and a mix of sizes to suit all needs. There will be a range of affordable and quality homes and a range of tenures. The community will include affordable housing, social housing, retirement living, custom build and starter homes. As appropriate the homes will aim to provide a non-estate environment and will include gardens, garages and sufficient off-street parking provision. The design will aim to feature all aspects of a rural village such as a community hub, a pub, a post office, a village shop, a village green. It will be supported by sustainable public transport, schools, superfast broadband, appropriate road infrastructure, leisure facilities and access to employment.

1.1.11 **St George’s Fields** may incorporate some of the existing leisure facilities (Golf Course) and will build on the outstanding rural location, Grade II Listed Thor Missile site and proximity to Rutland Water. Accepting that there may be a need to retain an element of the site for minerals extraction⁶ a Leisure and Recreation zone is intended to include uses such as hotels, public open spaces, visitor attractions and performance venues. This zone will compliment and boost the visitor economy and

⁵ In accordance also with local plan policies

⁶ The extent of this is a key element of the work to be undertaken – see Section 1.1.12 and Section 14

support the estimated 1.4m pa visitors to Rutland Water.

1.1.12 **St George's Business Park** will build on existing businesses operating at the site. It will be created under the Greater Cambridgeshire Greater Peterborough (GCGP) Local Enterprise Partnership (LEP) partnership of Enterprise Zones supporting the wider GCGP economic geography. It will support inward investment, business start-ups and business expansion. It will generate significant employment opportunities and for Normanton St George links that will provide sustainable work/life opportunities for the employed, self-employed and entrepreneurs.

1.1.12 **Minerals Extraction** – there has been active minerals extraction close to the St George's site for a number of years. Further minerals extraction is a possibility on the site in the future. In order to establish if this is the case and what area of the site may have to be safeguarded and for how long is a priority for the partnership. In order to assess the impact on the masterplan the Partnership will:

- a. Commission an independent minerals survey
- b. Based on the survey results, agree a strategy to deal with any future mineral extraction.
- c. If safeguarding is agreed, seek to expedite the use of the safeguarded area at the earliest opportunity to allow the site to then be restored and developed as soon as possible.
- d. Through the master planning process, explore the following scenarios
 - i. No extraction required and site is available for development in its entirety
 - ii. Part of the site is identified as 'safeguarded' but will be held-back for a number of years
 - iii. Plans for the site once returned to use
 - iv. A Plan for interim use of the site in the period prior to excavation
- e. The agreed outcome will then be built into the master plan.
- f. MOD will be responsible for the sale of the minerals rights.

1.2 Key risks

1.2.1 A key element of the project will be to identify and to mitigate against the risks associated with the site and the project. It is not possible to predict everything but a risk log has been created within the project governance supporting documentation. Initial risks identified include those itemised in **Table 2**.

Table 2 – Initial Risk Log

Ref	Risk	Mitigation
R1	One Public Estate and / or other government funding no longer available	Regular contact with OPE Team and OPE are represented on Programme Board and Project Delivery Board. Funding delay or loss is not likely to impact on the project due to the scale and duration of the project. However it will lead to more up front funding being required from partners for the initial work
R2	MOD reverse the decision to declare the site for disposal	Maintain close engagement with DIO. Signing the MOU to mitigate against this risk. Maintain engagement between Rutland's MP (Sir Alan Duncan), Council Leader, Deputy Leader and CEO with MOD's Parliamentary Under Secretary of State Tobias Ellwood.. Engagement will highlight the Councils ambitions and the effective working to date with MOD
R3	Minerals – surveys identify deposits that render significant parts of the site restricted from development	MOD and RCC recognise this as a key risk to the project In order to assess the impact on the masterplan the Partnership will: a. Commission an independent minerals survey b. Based on the survey results, agree a strategy to deal with any future mineral extraction c. If safeguarding is agreed, seek to expedite the use of the safeguarded area at the earliest opportunity to allow the site to be restored and developed as soon as possible. d. Through the master planning process, explore the following scenarios: i. No extraction required and site is available for development in its entirety ii. Part of the site is identified as 'safeguarded' but will be held for a number

		<p>of years</p> <p>iii. Plans for the site once returned to use</p> <p>iv. Plans for use of the site in the period prior to excavation</p> <p>e. The agreed outcome will then be built into the master plan i.e. once surveys are completed the masterplan can be updated to reflect the extent of ‘safeguarded’ minerals as well as phasing of when that part of the site might become available.</p> <p>During this period RCC and MOD will liaise with Minerals Companies who may have an interest in order to facilitate an open dialogue and prepare for their potential involvement.</p>
R4	Community concerns linked to the proposals	<p>Significant and early stakeholder engagement planned.</p> <p>Launch of project with Stakeholders is planned for late September 2017</p> <p>A joint communications and action plan is being developed with both RCC and MOD inputting.</p> <p>Maintain oral briefings for key stakeholders on an on-going basis.</p> <p>Ensure dialogue/engagement with stakeholders about development of the site by promoting it’s availability through the local plan review process. The site will be referred to as a ‘Reserved’ site. Due to the early stage of bringing the site forward it will not be counted in delivery numbers.</p>
R5	Site remains undeveloped for a significant period of time	<p>The plan is to be ready in 2020/21 for work to commence immediately. The project plan will be monitored closely to ensure that all pre work builds to this date.</p>
R6	Contamination – significant parts of the site are contaminated to an extent as to make the site too expensive to develop	<p>Early surveys will be undertaken by the MOD to identify the extent of contamination. Once details are known estimates for any decontamination will be developed and the impact on proposed development identified. The Masterplan will be adjusted accordingly. If this presents financial viability issues at this point alternative development and / or financial scenarios will be considered.</p>
R7	Delayed withdrawal of Army from site	<p>Regular communication with DIO should ensure the project plan can be adjusted to accommodate.</p>

R8	Impact of the Listed Part of the site	This will be incorporated into the masterplan supported by the early involvement of English Heritage. It is proposed to make more of the feature incorporated within St George's Fields. The impact on the masterplan and minerals extraction will be considered.
R9	Bids by Heritage England and / or other parties to include further buildings or parts of the site for listing.	A whole site inspection was undertaken by English Heritage in 2014 and no other sites were identified as of interest or proposed for listing. Both MOD and RCC agree that no further listings are appropriate, would not be supported and would be vigorously defended.
R10	Issues arise over creation of new communities and consequently local governance.	The site currently is adjacent to two Parish Council's (Edith Weston and North Luffenham) and one Parish Meeting (Normanton). Nearby is the Parish of Ketton. All four will be key stakeholders but will potentially be dwarfed by the size of the new community. It is essential that early consideration is given to the creation of a new Parish and the implications of that on the project and the communities. The proposal is to create a new Parish. The master plan will provide the context for a neighbourhood plan with the associated impact on CIL. The Council's Monitoring Officer & Director for Resources will lead on this aspect of the project.
R11	Annington Homes	The married quarters at St Georges are currently outside the scope of the project as MOD will continue to use them to support MOD staff at Wittering, Kendrew and possibly further afield. It is proposed at this stage that this issue is revisited at an appropriate time within the master planning process.
R12	Cost of new Infrastructure and Community Infrastructure Levy (CIL) and Highways and Affordable Housing S106 provision makes development/project financially unviable	Map current infrastructure provision Identify new infrastructure provision Continually review project financial viability against each stage of master planning evolution
R13	Impact of National and Local Election RCC and all Parishes – all out election due in 2019	Cross party briefings aimed at securing cross-party support. It is essential that key decisions reflect the potential impact of changes in political leadership & future proof where possible the impact of a significant

		change of mind-set around the project.
R14	Existing military and non-military occupiers at the site (Public and Private) prevent or delay the site being brought forward for development	A transition group led by MOD will be established to identify all existing military and non-military occupiers, shared use facilities and services and establish a withdrawal timeline and plan. The group will also establish any associated risks and address stakeholder management issues
R15	Land surrounding the site not in RCC or MOD ownership limits the ability of the partnership to develop the site as indicated by the master plan e.g supporting infrastructure and access	The partnership agrees to explore further land acquisitions or involvement in the partnership of other landowners as and where appropriate to enhance project aims. The Housing Infrastructure Fund has been identified as a potential funding source for this element of the project.

1.3 Key elements of business case for a public/public partnership

1.3.1 The business case for the project is founded on very basic principles as follows:-

- The site⁷ has been declared surplus and is designated as a brownfield site which can be brought forward for development
- Both the MOD and Rutland County Council want to work in partnership to produce a joint master plan for the site that will meet their objectives as outlined in **Table 3**.

Table 3

Rutland County Council	MOD
<ul style="list-style-type: none"> • To ensure that the supporting infrastructure is in place where appropriate prior to development • To develop the site as a sustainable Garden Village (see Annex A for explanation) • To support Economic Growth and employment within Rutland • To explore the recreation and leisure opportunities for the site to compliment the local area and Rutland Water • To possibly bring forward for development in advance of the main site the Officers Mess and the land at the North of the site 	<ul style="list-style-type: none"> • To generate a capital receipt for the site • To facilitate the development of housing that will contribute towards the Governments new housing targets • To support the development of a 'sense of place' that will make a positive contribution to the economic prosperity of the country. • To support the delivery of the Council's objectives

⁷ See Annexe C for site plan

<p>current in use by Third Parties</p> <ul style="list-style-type: none"> • To support the delivery of MOD's objectives 	
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1.3.2 The MOD and RCC agree that working in partnership is the best way to maximise the potential for the site and thus maximise the capital receipt for MOD.

1.3.3 The proposal to implement the joint masterplan for the site through the procurement of a Land Sale Delivery Partner (LSDP) is a model for delivering large mixed use developments of surplus public land. See Annex B for general description of model

1.3.4 The project will contain the following key stages and outputs:

a. **Production of an Initial high level master planning brief⁸** - a jointly prepared Masterplan will provide an indicative zoning of the site and indicate the order in which various plots might be brought forward. It will indicate key access and road layouts. It will articulate key infrastructure requirements and will describe the site – what it will look and feel like in broad terms. It will indicate preferences for density of housing and housing types.

b. **Procurement of a LSDP** – This will be led by the MOD in consultation with RCC. The criteria for procurement will be jointly agreed but will include a requirement for the prospective LSDP to submit proposals on delivery methodology, value added skills/expertise, investment and profit share, quality design and stakeholder engagement. It will also include the requirement to set out a business plan showing the financial implications proposed for all parties. The process to be followed will be a 'competitive dialogue' model. There are existing MOD frameworks to assist procurement. Once procured the LSDP will be managed through a Project Executive Group (PEG). RCC will be a member of the PEG that will co-exist with the St George's Project Board.

c. **Production of a detailed master plan** – the successful LSDP will then work with the MOD and RCC to develop this brief into a detailed master plan for the site for sign off by the Partnership. This will include all surveys, consultation etc expected in

⁸ A key element of the project will be for the MOD and RCC to agree during the master planning for the site areas which might:

- be required for essential infrastructure e.g. roads, schools, community facilities etc and the on-going ownership and maintenance of these sites e.g adopted/unadopted
- be identified as the future of the listed part of the site
- be land set aside for public open space
- be land which the Council may wish to reserve for Economic Development and Business Growth as part of the development package or may wish to develop itself.

the development of a master plan for a site and project of this size..

d. **Submission of Planning Applications** - Following the development and agreement of the Master Plan the LSDP will continue to work with the MOD and RCC to ensure that the master plan is translated into planning applications sympathetic to the aspirations of the partnership i.e. the partnership gets what it has signed up for.

e. **Controls** – before appointment of the LSDP proper controls will be put in place throughout the planning and development process to protect the integrity of delivery against the vision and the master plan. i.e. the partnership will retain control of key issues including density, design and delivery of infrastructure. The LSDP and delivery of the Masterplan will be managed through the PEG and the St George's Project Board. The PEG will co-exist with the St George's Project Board. RCC will be a member of the PEG. Terms of Reference for the PEG and governance arrangements will be agreed jointly by RCC and MOD at the appropriate time.

f. **Receipts** - The project will result in capital receipts for MOD and an element of profit for the LSDP and RCC after costs have been deducted. This profit principle is agreed between RCC and MOD and will be the subject of a Financial Model workshop to be held in September 2017 to explore this principle and how it will fit within the project model. The MOD will retain ownership of the site until each land sale is concluded by the LSDP. This will assist to ensure that the project is delivered as proposed and agreed.

1.4 **Purpose of the Memorandum of Understanding**

1.4.1 This MOU will set the parameters for delivery of the project by MOD working in Public / Public Partnership (PPP) with RCC. The partnerships intention is to develop and deliver against an agreed masterplan for the site that will assist the MOD to maximise its capital receipt.in the context of the development of a sustainable community. The MOU and Partnership will also allow both RCC and MOD to clearly set out to a pre-agreed formula the intended benefits of their financial inputs (see section 11).

1.4.2 The MOU will also clarify the agreement between Rutland County Council (RCC) and the Ministry of Defence (MOD) about the key aspects of the project i.e. formalising the working arrangements, key outcomes and deliverables.

1.6 Our joint request of government

1.6.1 Government support for the project is anticipated through the One Public Estate project, the Land Release Fund and the Housing Infrastructure Fund. In addition other funding schemes will be explored as appropriate. This will include financial and advice / information.

1.6.2 The Government (Secretary of State for Defence) is requested to support the project through resources provided by the Defence Infrastructure Organisation.

1.6.3 A key risk identified is the possibility that MOD might change its plans⁹ about the future of St George's. If such a decision were to be considered then RCC wishes MOD to note that it desires to be involved in discussions about the impacts of such a decision as well as contribute to the evidence base to support such a decision. Certainty over the decision reduces risk to the project. In the event that the project was to be aborted then RCC and MOD would bear costs sunk into the project on an equitable basis (Section 11.4 - Abortive costs).

⁹ This would apply equally to any significant delay in closure.

Section 2 - Status of the Partners

2.1 Roles and responsibilities

2.1.1 **Table 4** outlines the respective roles and responsibilities for the key partners (RCC and MOD).

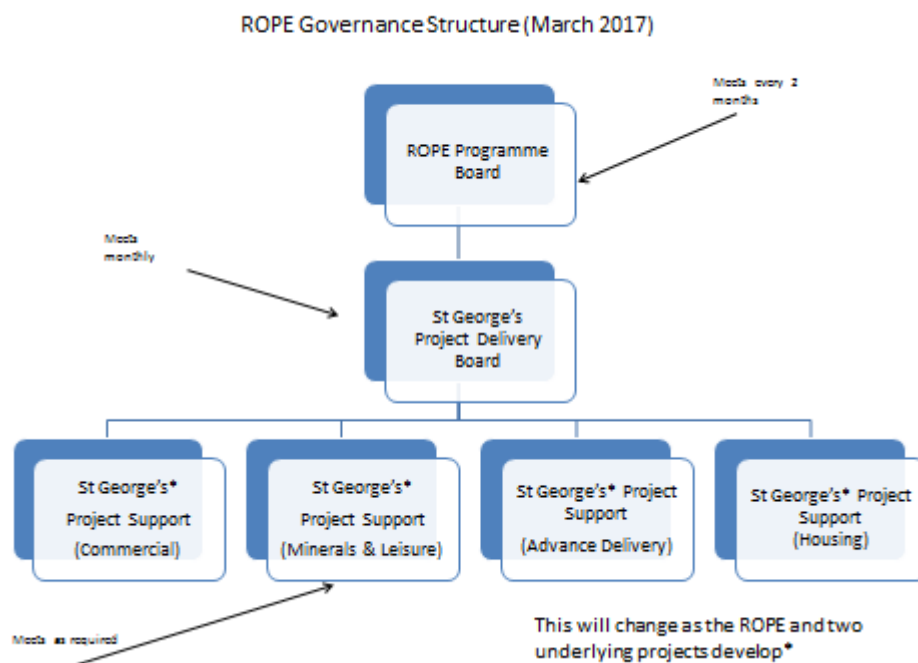
Table 4 (Lead means process lead)

Role / Responsibility	RCC	MOD	Delivery Partner
Site owners until the point of sale		X	
Project Management – with joint recruitment and joint funding of project management and support. (see Section 6)	X	X (lead)	
Initial Site surveys (Minerals & Contamination etc) –could be shared if it facilitates a shorter programme and the costs are identified as a project costs	X	X (Lead)	
Development of High Level (Initial) Masterplan	X (Lead)	X	
Procurement of Developer – this will be done jointly and in accordance with the site masterplan. The developer will be procured in line with OJEU procurement and against a jointly agreed specification. Key criteria will be the Developers ability and commitment to deliver against the brief. X-ref 1.3.1. b	X	X (Lead)	
Development of Detailed Master Plan	X	X	X (Lead)
Preparation and submission of planning applications			X
Site management, site clearance, infrastructure investment over and above that which is publically funded, managing lettings and sales (through MOD title), project accounting and running PEGs			X
Stakeholder management	X (Lead)	X	X
Advance Delivery – Officers Mess Site and potentially existing area used for Leisure and Commerce. x-ref section 12	X (Lead)	X	

Section 3 - Governance


3.1 The project will be managed initially under the umbrella of Rutland One Public Estate (ROPE) with the Governance structure outlined in **Figure 1**. Upon the appointment by the MOD of the LSDP the St George's Board and the newly created PEG will co-exist.

Figure 1 – ROPE St Georges - Governance Structure



3.2 Specifically the St George's element of the ROPE programme will adopt the governance structures outline in **Figure 2**.

Figure 2



**Project Delivery Board (July 2017)
St George's**

Project Delivery Board Membership

- Helen Briggs, RCC Chief Executive (Chair)
- Cllr Oliver Hemsley, RCC Deputy Leader (Vice Chair)
- Cllr Gale Waller, RCC Ward Member
- Debbie Mogg, RCC Director Resources
- Susan Betts/Michael O'Doherty - One Public Estate Team Representative
- Domenico Cirillo, Greater Cambridgeshire Greater Peterborough Local Enterprise Partnership Representative
- Robert Stone - DIO Head of Estates
- Jeremy Melhuish/James Ryley - DIO Disposals Team
- DIO Programme Manager
- Col A Devey – Army Infra Branch
- Dee Rajput, RCC Project Manager
- Stacey Potter, RCC Project Support Officer
- Mat Waik, RCC Strategic Communications Advisor
- Robert Clayton, RCC Head of Culture & Registration - Chair of Minerals & Leisure Support Team Meeting
- Andrew Edwards, RCC Head of Property Services – Chair of Advance Delivery Project Support Team Meeting
- James Frieland, RCC Economic Development & Tourism Manager – Chair of Commercial Project Support Team Meeting
- Roger Ranson, RCC Planning Policy Manager – Chair of Minerals, Advance Delivery and Housing Team Meeting

3.3 MOD influence and input to the project will be at all levels and all stages. There will be representation at the ROPE programme Board, the St George's Project Delivery Board and each of the Project Delivery Boards. It is anticipated that this would be reciprocal on the PEG for RCC. (see also 7.2.3) in terms of control links between St Georges Board and LSDP PEG's.

3.4 Following signature of this Memorandum of Understanding an offer will be made to the HCA for representation on both the ROPE Programme Board and the St George's Project Delivery Board.

Section 4 – Project Objectives & Deliverables

4.1 Objectives

4.1.1 The project objectives are as follows:-

- An agreed masterplan with phasing over the life of the development period
- Feasibility studies to check the financial viability of the future development of the site at each stage of development of the masterplan.
- A site that is developed in line with the agreed masterplan by a LSDP.

4.2 Deliverables

4.2.1 The project deliverables¹⁰ are outlined in **Table 5**

Table 5

Project Element	Deliverable
Normanton St George	Opportunity to deliver quality of life with the A1 accessibility in a new 'Garden Village' Annex A Sustainable development with appropriate housing density. 1,500 - 3,000 houses ¹¹ Potential re-provisioning of schools Appropriate supporting infrastructure
St George's Fields	Appropriate supporting infrastructure
St George's Park	Enterprise Zone – Significant additional employment, business start-ups and inward investment opportunities Appropriate supporting infrastructure
Minerals	If minerals surveys indicate then minerals will be safeguarded within the wider masterplan for the site which will address use prior, during and after extraction
Officers Mess Site ¹²	Residential Development. Appropriate supporting infrastructure It is proposed by RCC that they acquire the site based on an appropriate valuation and then leases back to the MOD for its remaining period of use / occupation. Details to be agreed. RCC will then bring the site forward for development outside this MOU but within the overall master plan for the site to ensure that supporting infrastructure is sympathetic to the overall project.
General	Significant employment in construction period

¹⁰ It is not possible at this stage to be more specific.

¹¹ This figure will be significantly affected by the impact of the minerals survey and the potential area affected and for how long.

¹² Identified in Annexe C site plan

Section 5 - Project indicative timeline

5.1 It is anticipated that the indicative timeline for the project will be as outlined in **Table 6** (based on current knowledge and prior to minerals¹³ surveys).

Table 6 – Project phasing and timeline

Phase / Stage	Activity	Estimated completion Timescale
1	Memorandum of Understanding signed	18 th August 2017
2	Joint RCC / MOD Project Team in place and	31 st October 2017
3	Public launch of Project	30 th September 2017
4	Minerals surveys completed and impact assessment concluded	31 st October 2017
5	High level (Initial) master planning	31 st December 2017
6	Jointly agreed LSDP spec/output	1st May 2018
7	Procurement of LSDP	31 st June 18 to 31 Mar 2019
8	High Level - Finance and Investment Plan	31 st December 2018
9	Minerals Extraction – agreement of scheduled use	31 st December 2018
10	High level Masterplan	31 st December 2018
11	Detailed Master Plan via LSDP	1 st November 2019
12	<u>Officers Mess Site:</u> Valuation and sale agreed. Lease back agreement in place Possible vacation date for site to be agreed, subject to Army Infra approval Possibly advance delivery of the Officers Mess Site	31 st March 2018 31 st March 2018 30 th June 2020
13	Outline Planning Application	30 th June 2020
14	Demolition and decontamination	2020/21
15	Residential development	Commence delivery 2021/22 for a 10 year period
16	Creation of St George's Park Enterprise Zone	Subject to initial masterplanning exercise (by 31 Dec 17) Phase 1 to commence in 2018 for land currently occupied. Other phases as per agreed detailed masterplan
17	St George's Fields	Commence development as land becomes available but in 2021/22

¹³ The minerals surveys are highlighted as a significant risk to the project and the phasing of works.

Section 6 – Project Management

6.1 Project Management

6.1.1 The MOD will be responsible for and lead on project management for the St George's project but this function will be undertaken in partnership with RCC and with a jointly staffed and managed project team. MOD and RCC have agreed that RegenCo will be asked to draw up a proposal for support in relation to Project Management and Master planning. This will allow the project to benefit from their extensive experience at Whitehill / Bordon and facilitate the project to proceed at pace. The RegenCo submission will be assessed by RCC and MOD and if agreed then RCC will enter into an agreement with RegenCo to support the project as an agreed Project Cost. This will be completed and in place by 15th September 2017. If the RegenCo option is not suitable then MOD and RCC will seek alternatives.

6.1.2 Funding¹⁴ for the initial stages of the project will be as follows:-

- a. *OPE Government Feasibility Funding (£25k)
- b. *OPE Revenue funding £350k
- b. S 106 / CIL funding (£50k)
- c. RCC contribution (£50k)
- d. MOD contribution in kind to provide project team resource
- e. *Land Release Fund – (£500k) specifically for the Officers Mess Site
- f. *Housing Infrastructure Fund – (up to £250m, final figure to be agreed)

6.1.3 Project costs in excess of OPE funding incurred by RCC will count as an expense to the project i.e. will be reimbursed to the Council prior to the calculation of any profit.

6.1.4 The project team for the initial stages of the project will be flexible and will include MOD and RCC staff (potentially RegenCo (subject to 6.1.1)). This will be expanded as the project develops to meet the needs of the project. This could include secondments from the MOD / DIO and potential private / public sector partners. The project team structure and resourcing will be a standing item on the St George's Project Board. Time spent on the project will be recorded and reported.

6.1.5 All external (to MOD) recruitment will be joint recruitment.

¹⁴ * Subject to successful funding applications

Section 7 – Delivery Vehicle

7.1 The Model

7.1.1 RCC and the MOD will operate within a Public / Public partnership. The overriding objective is to ensure that the site is developed in such a way as to deliver the agreed vision for the site. Hence whatever vehicle is adopted it must ensure that RCC and MOD retain control over exactly what gets delivered.

7.1.2 The MOD will procure a Land Sale Delivery Partner (LSDP) to deliver the project and the development along the same lines as LSDP models used elsewhere for Defence sales

7.2 Identifying a LSDP

7.2.1 The procurement process will be led by the MOD potentially using an MOD framework. The process will follow a Competitive Dialogue route and RCC will be involved at all key stages as a partner / stakeholder but not decision maker.

7.2.2 The partner will be commissioned to a jointly agreed specification to deliver against the jointly agreed masterplan.

7.2.3 Controls will be in place within the project to ensure that the commissioned LSDP delivers against the Partnerships agreed master plan and detailed design protocols/principles and codes. Once procured the LSDP will be managed through a PEG. RCC will be a member of the PEG that will co-exist with the St George's Project Board. Terms of Reference for the PEG and governance arrangements will be agreed jointly by RCC and MOD at the appropriate time.

7.3. Stages

7.3.1 The key stages for delivering the project will be as set out in **Table 6** above (page 18).

7.4 Officers Mess Site¹⁵

7.4.1 RCC aspiration is to bring this site forward in advance of the main development but within the scope and principles of the overall masterplan. It is proposed that RCC will purchase from the MOD outright based on a market valuation that reflects future use for dwellings. A lease back arrangement would then be agreed to support on-going occupation until MOD use of the site is no longer required. The site will then be developed independently by RCC. Both MOD and RCC will work to achieve the earliest possible date for the site to be vacated by the MOD, subject to approval by Army Infra Branch.

¹⁵ Identified in Annexe C Site Plan

Section 8 – Other Partners

8.1 Key to the success of the project will be Partners. These will include those identified in **Table 8**

Table 8

Other Public Partners	Role
One Public Estate	The Council is intending to bid on behalf of the partnership for support and funding from the OPE project. On this basis a representative of the OEP Team is a member of the Rutland One Public Estate (ROPE) Programme Board and the St George's Project Delivery Board
Greater Cambridgeshire Greater Peterborough (GCGP) Local Enterprise Partnership (LEP)	The GCCP LEP will be represented on Rutland One Public Estate (ROPE) Programme Board and the St George's Project Delivery Board. It will also support other aspects of the project as the project develops. There is potential for the GCGP LEP to becoming full funding / investment partners.
Homes and Communities Agency	HCA will be invited to join the St George's Project Board
Other potential private partners	
Third party landowners	Table 2 , Risk 14 page 10

Section 9 – Developing a masterplan

9.1 Masterplan

9.1.1 The public partner's vision for development at St George's will be delivered through a jointly prepared masterplan. The process to draft the initial high level plan will be led by RCC. The development of the plan will be supported by full stakeholder and public engagement and consultation. The LSDP will lead the production of the detailed plan.

9.1.2 Responsibility for the sign off of the masterplan will be as follows:

- MOD – DIO Head of Estates Robert Stone
- RCC – Full Council based on a recommendation from the ROPE Programme Board
 - The process for sign off through the ROPE programme board to Council will be:
 - St George's Project delivery board produce a draft masterplan
 - Plan to be considered by the ROPE Programme Board and recommended to Cabinet
 - Presented to Places Scrutiny
 - Considered by Cabinet
 - Recommendation to Council
 - Approved by Council

9.1.3 As set out in Table 6 the indicative timetable for the production of the masterplan is to produce an initial masterplan by 31st Dec 2017 and the high level masterplan by the 31st December 2018. The LSDP led detailed masterplan to be completed by 1st November 2019.

9.1.4 Costs associated with the preparation of the masterplan will be a chargeable cost to the project expenditure.

9.1.5 The initial high level master plan will:

- Provide a high level vision for the site phased over the life of the development and beyond
- Be based on the outcomes of the Minerals study, contamination study and buildings study
- Take into account the views of key utility providers.
- Take into consideration the views of Historic England in relation to the listed part of the site
- Provide an indicative zoning of the site, indicative housing and employment targets and indicate the order in which various development zones might be brought forward.

- Indicate key access and road layouts.
- Articulate key infrastructure requirements (including socio-economic and 'green' infrastructure) and describe the site i.e. what it will look and feel like in broad terms.
- Indicate preferences for density, tenure and housing types.
- Indicate preferred design principles and standards
- Take into consideration the results from stakeholder engagement

9.1.5 The detailed masterplan will cover all aspects required by the planning process in terms of zoning land uses, traffic and people flows and routes, densities, design codes, tenures and development phasing as well as supporting subsequent planning applications. It will include:-

- All surveys and studies required to input to the master plan
- An assessment of the development potential, proposed future land uses and capacity taking account of the site, its constraints and surrounding context – taking account of existing continuing uses such as the golf course and use of warehouses);
- An analysis of the existing buildings on the site and consideration of what should be retained;
- The nature, density and mix of future housing to be provided on site;
- The scope to provide employment opportunities to ensure a rounded approach to sustainability;
- An assessment of the likely education, health and social/community needs that the proposed uses would generate and set out proposals for how these would be addressed on site, including long term management arrangements;
- An assessment of the impacts on transport infrastructure, how these will be mitigated and how we will promote walking, cycling and public transport;
- An assessment of the impacts on environmental considerations, including Rutland Water, and how these will be mitigated and where possible the environment is enhanced;
- A guide to how the design of development (including open spaces) should be encouraged to create a quality environment for people to live, work and play taking account of the principles of a “garden village” concept;
- A clear indication of the delivery of the necessary infrastructure and services to ensure that development occurs in a timely and co-ordinated way;
- An indication of the developed obligations with respect to Community Infrastructure Levy and/or Section 106 agreement;
- A clear statement on delivery and implementation, indicating processes; timescales and phasing; construction stage impacts and ongoing engagement;
- A clear plan for consultation with local communities, public bodies and other stakeholders will be required.

9.1.6. It is essential that the content of both the high level initial plan and detailed master plan is subjected to regular financial testing of the viability of the proposed development.

Section 10 – Planning Process

10.1 Roles & responsibilities

10.1.1 The MOD/LSDP on behalf of the partnership will be responsible for the preparation and submission of all planning applications.

10.1.2 Costs associated with the preparation of all planning applications will be a chargeable cost to project expenditure.

10.1.3 RCC has of course a role as Local Planning Authority. RCC will ensure that resources are in place throughout to support the planning process. Costs associated with this will not be a project costs but will be covered by the associated planning fee.

10.1.4 Consideration will be given to the advance payment of planning fees to support 10.1.3.

10.2 Inter-relationship with the local plan

10.2.1 The St George's site is for the purposes of the project and in planning terms is a 'brownfield' site.

10.2.2 Care must be taken to ensure appropriate consideration is given by the partnership to:

- The relevant neighbourhood plans
- The Rutland Local Plan – this is currently under review with an indicative timetable concluding with adoption at the end of 2018
- The Council's Core Strategy (Policy CS6 – Re-use of redundant Military Bases and prisons) also refers at section 2.34 the criteria for alternative uses of Military bases. It requires as is proposed in this MOU the development of a masterplan.

Noting that as at July 2017 it is too early in the development of the St George's site for it to be included and therefore an allocation for the site in the next local plan is not likely. As such the site will be treated as a 'large windfall'. However, as at August 2017 the site has been referred to within consultation briefings and RCC will continue to do so. The site will at the next iteration of consultation documents be referred to as a reserved site.

Section 11 – The Financial and Investment Plan

11.1 These key aspects will be developed during 2017 and 2018 in partnership between the MOD / RCC and the procured developer based on their submission.

It will be based on the development of the high level masterplan and the proposed business case model outlined in section 1.3.

11.2 RCC and MOD will make every effort to attract funding to the project to support delivery. This will include the following potential sources (not intended to be exhaustive):

- Local Enterprise Partnership
- Homes and Community Agency
- Education Funding Agency
- Department for Transport
- Housing Infrastructure Fund

11.3 Project costs will be treated as outlined in **Table 9**

Table 9

Project Costs (note all references include staffing costs)	
Project management costs	Project management costs will be incurred and funded through a combination of MOD's/Councils own resources, funding available via OPE and other partners.
Costs associated with bringing the site forward for development	This will include: <ol style="list-style-type: none"> a. Development of the MOU b. Initial master planning c. Initial surveys d. Development of the business & financial plan e. Consultation/Communications f. Marketing and Procurement of a LSDP
Development costs	Development costs may include project fees, site preparation / remediation / demolition etc costs, build costs of units, other infrastructure and development costs (e.g. highways, broadband). Development costs may be met by the LSDP, an external developer, the partners or a combination of both.
Infrastructure costs	The DfE, HCA, LEP and Council may provide funding to support infrastructure development via the income sources referred to above or other funding. Private investment may be forthcoming in relation to the Enterprise Zone from business seeking to expand or come into the region. Private investment may also come forward through the LSDP.

Advance Delivery	
Phase 1 - Officers Mess Site¹⁶	RCC aspiration is to bring this site forward in advance of the main development but within the scope and principles of the overall masterplan. It is proposed that RCC would purchase from the MOD based on a market valuation for residential dwellings. A lease back arrangement would then be agreed to support on-going occupation until MOD use of the site is no longer required. The site will then be developed independently by RCC. Costs associated with this element of the project will therefore be kept separate and not included within the overall project. Both MOD and RCC will work to achieve the earliest possible date for the site to be vacated by the MOD, subject to approval by Army Infra Branch
Phase 2 – Advance Delivery	It is noted that RCC has an aspiration that a part of the site may be brought forward as Advance Delivery Phase 2 to deliver Commercial / Employment land in advance of the development of the main site. This should not compromise the overall master plan or supporting infrastructure and indeed must be aligned to it.

11.4 Abortive Costs

11.4.1 Abortive costs (see also Section 1.6.3) could be incurred if the project were not to proceed e.g. in the event of a reversal of the MOD decision that the site is no longer required or by removal of RCC Council support to the project. In this event abortive costs will be shared on an equitable basis based on ‘open book’ accounting and disclosure of costs incurred.

11.5 Planning fees

11.5.1 MOD agrees to consider payment in advance of the planning fees associated with the development by the LSDP to allow RCC to ensure appropriate planning officer resource is in place to support the process in a timely way. A Planning Performance Agreement will also be explored to underpin this work.

11.6 Agreed mechanism for managing project costs

11.6.1 RCC and MOD agree an open book accounting mechanism for the recording of project costs up to the point that the LSDP is in place.

11.7 External sources of funding

11.7.1 RCC will act as the accountable body for external sources of funding included as part of the overall project plan. Costs associated with applications for funding will be a legitimate

¹⁶ Identified in Annexe C Site Plan

project expense.

11.8 Financial Modelling workshop

11.8.1 MOD and RCC will jointly work through a financial model for the project at a jointly convened workshop to take place in September 2017.

Section 12 - Advance delivery proposal - Officers Mess site and Areas currently utilised by Third Parties to the North of the Site

12.1 It is proposed by RCC that the Officers Mess site is brought forward in line with the overall masterplan in advance of the main site. This will be **Phase 1** of the Development – marked on **Annexe C**.

12.2 The aim is to bring this site forward in advance of the main development but within the scope and principles of the overall masterplan. It is proposed that RCC would purchase from the MOD outright based on a market valuation for residential dwellings. A lease back arrangement would then be agreed to support on-going occupation until MOD use of the site is no longer required. The site will then be developed independently by RCC. Both MOD and RCC will work to achieve the earliest possible date for the site to be vacated by the MOD, subject to approval of Army Infra Branch.

12.3 In addition it is noted that RCC has an aspiration that the area indicated as **Phase 2** in **Annexe C** is also proposed to be brought forward for early development for Economic Development and Recreation use.

12.4 The area marked in blue in **Annexe C** is to be earmarked for advance delivery of infrastructure improvements.

Section 13 - Stakeholder engagement and consultation

13.1 This will be a key element of the project, a shared responsibility but led by RCC with a regularly maintained interface between RCC and DIO's communication teams (especially in terms of maintaining MOD's corporate communications requirements).

13.2 Each organisation agrees to provide a named contact through which draft communications will be channelled and use their best endeavours to:

- Produce a communications plan so that all partners know what to expect and when
- Provide draft copy at least two weeks before expected 'launch' date (to allow reasonable time for responses)
- To respond to requests for comment within 48 hours wherever possible

Initially key stakeholders will include those outlined in **Table 10**. This is not intended to be an exhaustive list.

13.2 Engagement has already commenced and will continue throughout the project.

13.3 Statutory consultation will be undertaken in line with requirements at the appropriate time.

Table 10

Stakeholders	
Organisation	Connection
Elected Members	Rutland County Council (Unitary) Local Planning Authority Highways Authority
Cabinet	
Senior Officers	
Staff Team	
North Luffenham	Parish Councils and Meetings*
Edith Weston	
Normanton*	
Ketton	
1 Military Working Dogs	Current MOD Community
2 Med Regiment	
Kendrew Barracks – all Regiments	
North Luffenham Golf Club CS Ellis and others	Current tenants at St George's
Edith Weston Primary St Marys & St Johns Ketton Primary UCC CBEC	Educational establishments linked to St George's
East Leicestershire and Rutland Clinical Commissioning Group	Healthcare

Hanson Cement	Minerals extraction
Anglian Water	Adjacent facility – Rutland Water
GCGP LEP	Potential Partners
HACA	
Historic England	Listed part of site

Section 14 – Minerals Strategy

14.1 This will be a key aspect of the project and one of the highest priorities for resolution as it is one of the key risks identified for the project.

14.2 It is essential that both RCC and MOD acknowledge this as a key risk to the project and also agree to the following:-

- a. At the earliest opportunity a comprehensive minerals survey is commissioned and undertaken in the area marked in green in **Annexe C**
- b. The results of the survey are initially discussed with advisors, RCC and MOD
- c. At this point the impact on the masterplan (high level) will be considered and the impact will be assessed on the viability of the project and the construct of the masterplan

14.3 Based on 14.2 the masterplan will be required to reflect the following

- a. The area of site that will need to be required to be 'safeguarded' for mineral extraction.
- b. The duration of the 'safeguarding' period
- c. What use the site can be put to during the 'safeguarding' period
- d. The length of the extraction period and the likely impact on the surrounding area
- e. Restitution post extraction
- f. Proposed use of the site post extraction

Section 15 – One Public Estate & other funding bids

15.1 RCC and MOD have agreed to submit an expression of interest and if successful a full bid for support from the Governments One Public Estate project.

15.2 RCC will prepare the submission and submit on behalf of the partnership.

15.3 MOD will supply any required supporting information, will sign off the submission through the St George's Project Delivery Board and will supply a letter of support for this and any other relevant funding applications.

Section 16 – Dispute Resolution

16.1 In a circumstance that there is a dispute between the parties the following steps will be followed:-

- a. Meeting between RCC Chief Executive, Deputy Leader and MOD DIO Hd Estates
- b. As above (a) but with representative from One Public Estate (Cabinet Office) chairing the meeting.
- c. Meeting as (a) but with MOD Permanent Secretary in attendance
- d. Meeting as (a) but with MOD Minister (DPV) and Rutland MP in attendance
- e. Work should halt until the dispute is resolved.