Developer Forum

Adam Hill
Chief Executive Officer

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Mansfield District Council

Welcome

- Today's event
  - Biodiversity Net Gain
  - Commercial Property Market
  - Discussion around potential pipeline projects

and also goodbye…

Formal notices

- Fire drill
- Photographs and audio recording of the meeting
- Mobile phones
- Slides will be circulated afterwards
- Chatham House rules apply
- Online feedback form

Developer forum purpose

- To:
  - help improve the delivery and quality of development schemes
  - create open and transparent channels of communication between developers / MDC
  - seek interest from developers in the Growth Delivery Group (GDG)
  - provide attendees with regular planning and regeneration updates

Agenda

- Clare Cook / Geoff George – Mansfield District Council – **Planning and Regeneration update**
- Helen Gill – Browne Jacobson – **Biodiversity net gain: Lessons learnt and current challenges**
- Helen Markland – Mansfield District Council – **Biodiversity net gain: A local perspective**
- Tim Gilbertson – FHP – **Commerical market insight**
- **Discussion**

Planning and Regeneration Update

Clare Cook

Planning Manager

Geoff George

Regeneration Programmes and Projects Manager

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Mansfield District Council

Planning and Regeneration Update

- New planning team leaders – Dan Galpin and Tracey Tucker
- Green Infrastructure SPD – adopted in March
- Town Centre Design Code – was shortlisted for two awards
- BNG has become mandatory – some additional information on our process published
- New local validation list published
- Backlog funding bid successful

Planning and Regeneration Update

- National consultations on first LURA and then revisions to the NPPF

- Will progress the Local Plan Review under the existing planning system and submit before the deadline of 30 December 2026.

- New Local Development Scheme to be adopted in the new year.

Planning and Regeneration Update

- New housing figures will be a challenge

Current method	Local Plan target	Recent delivery	Proposed method	% increase	% increase (LP)
259	325	424	540	108%	66%

- HELAA methodology updated – **consultation open**
- HELAA Call for sites – **consultation open**
- New submission process – please ask for help!

Planning and Regeneration Update

Towns Fund:

- £12.32M secured
  - Destination Mansfield – place strategy and branding
  - SMART Mansfield – smart parking solutions and LoRaWAN investment
  - Warsop Health Hub – now open to the public
  - Destination Park at Berry Hill – new facilities for the Mansfield community
  - Future Technology Knowledge and Skills Exchange
- Seeing over £23M of investment in the district over the next 4+ years

Planning and Regeneration Update

Mansfield Connect:

- Government support towards a multi-purpose civic and community hub at the heart of the town centre
- Re-activating Mansfield town centre, driving transformational change in service delivery with partners, breeding a new confidence in the town and driving footfall

Funded by UK Government

Planning and Regeneration Update

Levelling Up Partnership:

- Place-based regeneration proposals including estate improvements at Bellamy Estate, improvements to the marketplace and streetscape, new youth provision and family hubs and support for young people. This also includes provision to review what Mansfield wants from...

Devolution:

- New Combined Authority now up and running
- A focus on housing, skills, infrastructure and low carbon
- Funding stream of £1.14 billion or £38 million a year over 30 years

Planning and Regeneration Update

Long Term Plan for Towns:

- c. £20M for area-based regeneration, principally capital over a 10 year period working with Place Board partners
- Additional guidance in the new year with further engagement across 2025 and delivery from 2026 onwards

High Street Rental Auctions:

- LAs to be enabled to help reduce long term vacant high street premises by the holding of auctions to let the properties without the consent of the owner or landlord
- Mansfield confirmed as an early adopter
- Work is in very early stages but will involve consultation on a suitable boundary from which to select premises.

Biodiversity Net Gain – Lessons learnt and current challenges

By Helen Gill
29 November 2024

Biodiversity Net Gain & Environment

Helen Gill
Senior Associate

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- *Work within the Environment, Planning and Public Law team at Browne Jacobson*
- *Previously Principal Solicitor at Natural England, leading on BNG & Conservation Covenants*
- *Advise private and public sector clients, working with Real Estate and Commercial colleagues*

Biodiversity Net Gain – brief recap

- Biodiversity net gain is **a concept which aims to leave the natural environment in a measurably better state**.

- Developers must deliver a biodiversity **net gain of (at least) 10%**, calculated in habitat units using the statutory metric. Calculations will depend on things like the **size, quality, location & type of habitat**.

- BNG now applies to **every grant of planning permission**; there are **exemptions** but these are limited. BNG Commenced in February 2024 for new applications.

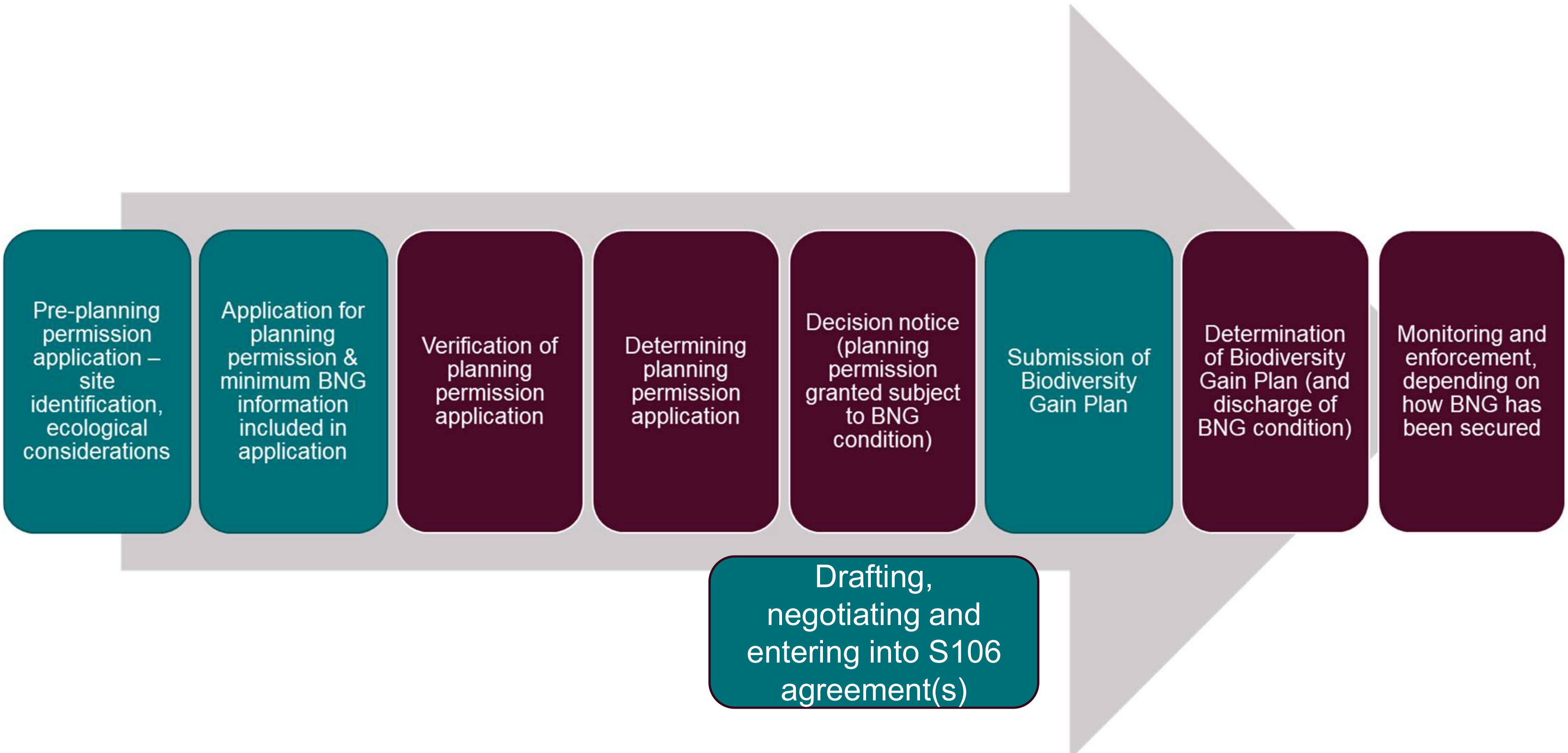
- The **de-minimis** exemption means that a development that does not impact a priority habitat and impacts less than 25 square metres (5m by 5m) of on-site habitat and 5 metres of on-site linear habitats (such as hedgerows) will be **exempt from the BNG rules**.

- BNG can be achieved **onsite**, **off-site**, or by purchasing **statutory credits**.

Recap and summary of BNG

- Commenced **12 February 2024**
  (and 2 April 2024 for small sites)
- Environment Act 2021 + New secondary legislation
- Onsite, offsite, statutory credits
- Developer, landowner, LPA,
  Register Operator, Responsible Bodies
- Legal arrangements:
  - Conservation Covenants
  - Planning obligations
  - Planning conditions
  - Allocation agreements/commercial arrangements

BNG - Embedded in the planning process



BNG – How this may impact Projects

Issues to be mindful of

Leases, Options, Development Agreement negotiations

- **Onerous Conditions**
- **Form of biodiversity plan**

Costs will be involved in the delivery of BNG, and could include:

- Costs of appointing an ecologist
- Costs associated with **delivering BNG onsite**
- **Buying off-site biodiversity units** on the market and potentially negotiating the terms of the commercial allocation agreement detailing payment arrangements to cover the 30 year+ monitoring and management costs; **Buying statutory biodiversity credits** from the government.

Who pays and what controls are needed?

Legal obligation to deliver BNG

Section 106 Agreement

Conservation Covenant

Planning Condition

Management and monitoring

Breach and enforcement

Wider rights of access

BNG – How this may impact Projects

Issues to be mindful of

General matters:

- **Time, delay** – negotiation and discussion of legally binding provisions
- **Long term liability** – 30+ years
- **Cost** – additional costs to be passed down or retained (commercial decision, depends on how the market evolves)
- **Additional parties/legal agreements and negotiation**
- **Long term impacts** – what happens in 30 years time?

What challenges remain?

- **Knowledge and processes – still learning**
- **LPAs developing policies and guidance**
- **Capacity and capability in the planning system**

- Difficulties in securing offsite sites:
  - Delays or difficulties in entering into standalone S106 agreements
  - Limited Responsible Bodies
- What is “significant” in the context of onsite?
- What can be taken into account at planning committee stage?
- How to calculate the start of the 30 years maintenance in the context of onsite BNG?
- What BNG information can be requested when?
- What is a reasonable monitoring fee?

- **Ecological capacity**
- What needs to go in the S106 agreement?
- What needs to go in the decision notice?

- Exemptions – self build, and failure to then occupy?

- Stacking, bundling, layering
- ELMS, LR schemes, agri-environment schemes and other government initiatives
- Interaction with protected sites, LNRSs, PSSs, SCSs.

- **Tax considerations: IHT, CGT, Income Tax**
- **Insurance considerations**

- **Uncertainty – legal challenge, scrutiny and “wiggle room”**
- **Unknowns – time, format, approach, impact on land value**
- **Legislative reform – retrospective application avoidance**

What challenges remain?

National Audit Office “Implementing statutory biodiversity net gain”, May 2024:

“*In November 2021 Defra publicly committed to launch statutory BNG within two years. It worked quickly, developing a novel policy through an existing and complex planning system, and statutory BNG was launched in February 2024. However,* ***in prioritising launching the policy it accepted some significant risks to effectiveness*** *which it must now manage as the policy moves from implementation to business as usual.*

Defra launched its policy before having all the elements in place that it needs to ensure statutory BNG is a success in the long term…. ***it has a long way to go before it can be confident that damage to biodiversity through development will not be understated and that the benefits of biodiversity enhancements will actually be delivered****…*

Local authorities manage many aspects of statutory BNG through the planning process, including ensuring compliance and enforcement. For now, ***there is doubt about whether local authorities will be able to discharge these duties effectively.*** *In addition, it is not clear whether Defra will have sufficiently granular monitoring data to assess policy performance. Without these, Defra will not have assurance that its statutory BNG policy is delivering biodiversity outcomes and value for money for taxpayers*.”

(Implementing statutory biodiversity net gain - NAO report)

IS BNG needed?

The remains a key question for Government to consider, especially when considering how it is delivered through the planning process, which itself is coming under scrutiny.

From an ecological perspective:

- *Whilst England is known for areas with stunning landscapes – the Lake District, North Yorkshire Moors, Cotswolds, the Norfolk coast for example – it is sobering to recognise that England is also widely considered to be one of the most nature-depleted countries in the world.*

- *The Natural History Museum reported in 2020 that Britain had lost a larger proportion of its natural biodiversity than almost anywhere else in western Europe - and the most of all G7 nations.*

- *The Environment Act 2021 has been described as one of the most important pieces of legislation for the natural environment, and reflects a significant shift from the embedding of "nature conservation" principles into legislation to now requiring and demanding more proactive "nature recovery". BNG is central to this.*

Opportunities: Using your land for biodiversity gain sites (offsite) sites

A.
- Ecological matters: supply, demand, distinctiveness, baseline surveys, deliberate degradation

B.
- Financial and long-term commitment, and laying/stacking/other income generation opportunities

C
- What will happen at the end of the 30 years of habitat management? Long term land value, opportunities?

D
- How to sell biodiversity units – pricing, costs, marketing, structure, brokers/habitat banks?

E
- How the site must be secured – S106/ConCovs, challenges, availability, liability

F
- Timing considerations

G
- Registering the site as a biodiversity gain site – what is required, can it be provided?

H
- Selling units and allocating them to a development – commercial considerations, risks

Browne Jacobson Team

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Implementation of Biodiversity Net Gain

A local Authority Perspective

Friday 29 November 2024

Helen Markland, Principal Ecologist

Talk Overview

- Local perspective on BNG implementation
- Common issues with at validation
- Some pitfalls to try and avoid
- Significant onsite enhancements and how we are proposing to secure these in Mansfield

Validation – What needs to be submitted?

Completed Biodiversity Metric

- Completed Excel Metric – Using the latest version of the Statutory Metric or the Small Sites Metric.
- Provide as much information as possible.
- If you have draft landscape designs, then provide the necessary information to your ecologist so they can complete the post development tabs within the metric as well.

Correctly completed Application Form

Biodiversity net gain

Biodiversity net gain is a legal requirement for planning permission introduced on 12 February 2024. All applications are required to either provide detailed information proving there will be a biodiversity increase; or explain why they are exempt from doing so.

Find out more about biodiversity net gain, and access digital tools from our partners that can help determine if you are exempt, or produce the biodiversity metric information required.

Do you believe that, if the development is granted permission, the general Biodiversity Gain Condition (as set out in Paragraph 13 of Schedule 7A of the Town and Country Planning Act 1990 (as amended)) would apply?

- [x] Yes
- [ ] No

Please provide the pre-development biodiversity value of onsite habitats on the date of calculation

Please provide the date the onsite pre-development biodiversity value was calculated

Note: This should be either the date of the application, or an earlier proposed date

If an earlier date, to the date of the planning application, has been used, please provide details why this date has been used

Which version of the biodiversity metric was used?

When was the version of the biodiversity metric used published?

- The date the onsite pre-development biodiversity value was calculated is causing confusion!

- This should be the date that the planning application was submitted. Not the date that the ecology survey was carried out.

ONLY EXCEPTION

- Is if the site has undergone deliberate degradation then an earlier date should be used that is before the degradation took place.
- LPA will need to agree this date.

A HABITAT map drawn to scale with a north arrow

- A map of the habitats present within the redline boundary of the site pre-development needs to be submitted.
- This should be drawn using UKHabs habitats.
- It has to be accurate and drawn to scale.
- It has to have a north arrow.

Common Pitfalls

Quality of ecological information

- If you find a good ecologist shower them with gifts and try your hardest to hang on to them!
- Ask that ecologists provide:

- Evidence of their condition assessments in their reports. (E.g.Passes and fails for condition assessment criteria – details of quadrat data for grasslands)
- Photos within the reports of the habitats present.

Keep your ecologist updated!

- The Biodiversity metric and onsite habitat plans need to represent the final version of a proposed development.
- Its good practice to get surveys done early on in the process but make sure ecology reports are updated pre submission.
- The redline boundary area of the site needs to match the area that the biodiversity metric says the site is.

Securing Onsite BNG

What are Significant Onsite Enhancements?

- The council is required to secure significant onsite enhancements in biodiversity. We have drafted some guidance which you can find on our website.
- Generally speaking this is:

- Creation or enhancements of medium distinctiveness habitats or better.
- Creation of larger areas of low distinctness habitats.
- Habitats that developments are proposing to improve through management.

Securing Significant Onsite Enhancements

- For most applications we will secure significant onsite enhancements using:
- A planning condition that secures the submission, approval and subsequent implementation of a 30-year Habitat Management and Monitoring Plan (HMMP).
- A **simple** s106 agreement to secure a monitoring fee so that the LPA can monitoring the delivery of the HMMP over the 30 years.
- For very large applications, there may be a need to have a more complex s106 agreement securing the onsite BNG delivery.

Notts & Nottm Local Nature Recovery Strategy

- Purpose: statutory spatial strategy for nature's recovery – Env't Act 2021
- Process: Notts CC is Responsible Authority, working with key stakeholders
- Delivery: encourage action, not force. Proposals identified on map = strategically significant for BNG
- Public consultation on Draft LNRS will start early February 2025 for 6 weeks
- More info: www.nottinghamshire.gov.uk/naturerecovery

The LNRS will:

1. Map the most valuable existing areas for nature in Notts
2. Agree priorities for nature's recovery
3. Map specific proposals to create/ improve habitat

Questions?

Break

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Mansfield District Council

The Industrial and Distribution Property Market in Mansfield and The Wider M1 Junction 28 Region

Prepared for:

Mansfield District Council

Prepared by:

Tim Gilbertson
Equity Director

FHP Property Consultants

Dated:

29 November 2024

1. Introduction

Tim Gilbertson – Equity Director

- 30 years working in the industrial and distribution market in the East Midlands.
- A near daily visitor to Junction 28 of the M1 and Mansfield.
- Albeit almost exclusively on the industrial estates which is the sector of the market in which I predominantly deal.

2. Overview

- Thank you to Geoff George and Tracey Tucker for inviting me along.

- Thoughts and ideas on the current state of the commercial property market in and around Mansfield and Junction 28 of the M1 with a particular focus on industrial and distribution space.

- Brief overview on office and retail markets.

- What can Mansfield District Council and those attendees here today do to encourage further investment and development in the region?

3. Current Trends in the Industrial and Distribution Market in Mansfield and J28

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- Firstly, it's not that bad! It's actually pretty good!
- Demand for freehold space – anything sells.
- Demand for space to rent – yes, there is some.
- Aware of pent-up demand across all size ranges.
- Occupiers are running out of space but fearful to act due to the lead up to the budget and US election – now it's Christmas!

4. Mansfield and J28, M1 – A Manufacturing Stronghold as Well as Distribution

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- More demand in recent months from manufacturing occupiers than storage and distribution companies.
- Mansfield and Junction 28 has a skilled labour force and needs to build on this.
- Jaguar Land Rover, Parker Knoll, Bombardier – all represented here.
- Junction 28 developed as a location primarily through distribution demand but has that now been overtaken by manufacturing?

5. What is Driving Demand?

❖ The economy isn't great, but we are still seeing reasonable levels of enquiries – why?

- Older stock limiting how companies work, height of buildings, columns, too much office space, etc.

- Environmental criteria – older space, does not conform with corporate occupier's drive to be environmentally friendly.

- Staff facilities – companies need to look after their staff and provide them with better facilities regardless of their industry

6. What's Moving and What's Not?

- Particularly strong demand for starter/second generation units – i.e. up to circa 5,000ft².
- Rents have rocketed in the sector due to demand.
- Very difficult to find anything in this sector to rent and almost impossible to find anything to buy.
- Anything freehold almost always sells and often to a cash buyer, seeing values continue to rise.
- Big distribution units – any number speculatively built out in recent years and many have stuck for a long time.
- However, are we now at the tipping point as demand continues and supply of speculative space dries up?
- Nationally, 2025 is anticipated to see returning demand for large distribution units.
- A good sign as they don't necessarily create substantial jobs but their presence often 'trickles down' into suppliers of those companies wanting to relocate as well.

7. What Does the Region Not Offer?

- Not enough small starter units/second generation buildings to rent.
- A sector that is often not profitable for the private sector – can the Local Authority act as enabler?
- Units of all sizes that are available to buy.
- Land! Can development land be freed up for developers by the Local Authority? What ownerships does the Local Authority have?
- Planning consents – expensive and slow in a nutshell! Can the Local Authority streamline their service as time is money?

8. What Can Mansfield District Council Do?

❖ With my magic wand I would say:

a. Develop out starter units for rent on flexible terms to help ‘spare bedroom businesses’ grow.

b. Streamline the planning process – aim to be the most approachable/easiest to deal with authority in the region.

c. Publicise any financial/grant/relocation assistance that can be offered.

9. The Office Market – A Brief Overview

- Tough! Very limited demand, a feature not attributable to Mansfield alone.
- Outdated, unattractive space – nobody wants it!
- Covid-19 – staff still want to work from home.
- How? By making it appealing; good design, collaborative areas, breakout space – these are the buzz words in the region's cities that are seeing some office deals being done.
- Values – freeholds have fallen significantly and leaseholds are stagnant at best with big incentive packages required to tempt occupiers.
- Repurposing – in a town centre office to residential, on out of town business parks, offices demolished to build industrial and warehouse.
- What's the future? Better quality, better design and in all honesty less office space is the way forward.

10. Retail – A Brief Overview

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- Very tough! However:

  a. The rise of the independent.

  b. Repurposing of space.

  c. The joint offering of retail/leisure and food and drink.

  d. If office workers return then that creates footfall and income for town centres.

- What's the future? Who knows but I suspect:

  a. Shopping centres still 'work' but only when combined with leisure and food and drink offerings.

  b. High streets will continue to reduce in size but the rise of the independents make smaller high streets more interesting and attractive.

11. So Where Do We Go From Here?

- Ultimately the economy will decide.
- Release land, streamline planning and promote development to create investment.
- Manufacturing means more jobs in general than in distribution, highlight the skills of the region and build upon on them.

Discussion

Conversation points:

- Do you recognise the market insight?
- What's your experience locally?
- What demand are you experiencing?
- What wider factors influence growth and development?
- Is there more we can be doing together to support bringing forward development?

Thank you

- Feedback forms online at

www.mansfield.gov.uk/developerforumfeedback

- Consultation portal

https://mansfield-consult.objective.co.uk/kse

Contact us:

lp@mansfield.gov.uk (Planning Policy)

pbc@mansfield.gov.uk (Development Management and Regeneration)

Save the date!

The next Developer Forum is on
13 June 2025

Venue change
Mansfield Palace Theatre