

Decision Maker: Renewal and Recreation Portfolio Holder for Pre-decision Scrutiny by the Renewal and Recreation PDS Committee

Date: 11TH June 2013

Decision Type: Non-Urgent Executive Non-Key

Title: GROWTH AND DELIVERY PLANS FOR BROMLEY TOWN CENTRE, BIGGIN HILL AND CRAY BUSINESS CORRIDOR EMPLOYMENT GROWTH AREAS

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Ward: All Wards

1. Reason for report

- 1.1 A key priority for the Council is economic development. Economic development creates employment opportunities, potentially reducing the cost of council tax support, and generates income through business rates and new homes bonus. The Council is proposing to designate three primary employment growth areas. These are Bromley Town Centre, Biggin Hill and the Cray Business Corridor. To support the aim of securing economic growth in these three areas will require the creation of individual Growth and Delivery Plans.
- 1.2 This report sets out the approach the Council will take in each of the targeted areas to prepare Growth and Delivery Plans. Each of the employment areas have very different characteristics and attributes and it is proposed to work closely with the existing planning frameworks and partnership structures to prepare, agree and resource the Growth and Delivery Plans.
- 1.3 The report also highlights at Paragraph 5.1 the additional resources the Council will need to identify to be able to successfully undertake the work programme in the required timeframe. A report is to be considered by the Executive at their meeting on 12th June requesting the allocation of £170k from the new Economic Development and Investment Fund budget to fund this work package.

2. RECOMMENDATION(S)

- 2.1 Members of the Committee endorse the approach to the preparation of the Growth and Delivery Plans and request the Portfolio Holder support a report to the Executive to secure the additional funding identified.

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Vibrant, Thriving Town Centres:
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Financial

1. Cost of proposal: Currently estimated at £170k.
 2. Ongoing costs: Non-Recurring Cost:
 3. Budget head/performance centre: Economic Development and Investment Fund
 4. Total current budget for this head: £10.4m
 5. Source of funding: Earmarked Reserve
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Staff

1. Number of staff (current and additional): 4
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in: Applicable:
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Borough-wide
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: No Comments Received

3. COMMENTARY

Background

- 3.1 The Government has provided new financial incentives impacting on the way Local Government will be funded in the future. It has introduced reforms to the collection and spending of business rates, with a focus on local retention (30%) to incentivise local authorities to financially bolster their economy and business rates base. The new funding regime introduced in April 2013 relates funding more closely to changes in the business rates yield in each local authority area, with the aim of incentivising local authorities to proactively encourage economic development. In simplistic terms the more economic growth an area generates the more of the increase in business rates the Local Authority can retain to fund services. However, there are evident risks with the new funding mechanism, in that should the business rates yield in an area fall this could impact on the amount of funding it receives. This is a particular issue for Bromley in a context in which its locally-collected business rates base declined by -3% in real terms between 1999-2010.
- 3.2 In response to this and wider Planning issues, the Council commissioned a study by G L Hearn Ltd (GLH) into the potential land use options for stimulating the economy in Bromley. This was aimed both at creating employment and economic growth and with increasing business rates through commercial development. GLH assessed the potential for a hierarchy of employment sites, from a Premier Business Park through to a Local Industrial Estate. In their assessment they took into account the office market, factors influencing the locational decision of possible occupiers and competing sites.
- 3.3 The main conclusions of the report were that:-
1. There was no evident market demand to support a further major business park scheme in the Borough. This is principally due to :- established sites at Crossways, Dartford and Kings Hall, West Malling; further schemes already in the pipeline at The Bridge, Dartford and Ebbsfleet Valley with excellent transport accessibility; the lack of a 'optimum' site in the Borough that could compete with these and attract developer and occupier interest; and policy constraints, in particular Green Belt designation.
 2. A targeted but multi-pronged growth strategy which seeks to develop the economy and business base of the Borough over the period to 2031 but avoids over-reliance on development on a single location has the greatest chance of success. This would mean a comprehensive approach to fostering economic growth including:
 - Proactive activity to nurture growth of the retail and office market in Bromley Town Centre over the short, medium and long-term;
 - Progressive upgrading of employment land at Cray Avenue in line with the Strategic Industrial Location status (principally to provide modern industrial premises) and upgrading, intensification and potentially extending the concentration of employment use along Main Road, Ruxley (to provide commercial floorspace with suitable parking provision);
 - Supporting the growth of employment activities at Biggin Hill Airport focusing on aviation-related activities, with provision of associated business infrastructure and amenities

The Emerging Local Plan

- 3.4 The findings of GLH report provided a rationale to revise the strategic options in relation to the Local Plan spatial strategy to ensure sustainable economic growth in the future. Member of the LDF Advisory Panel accepted the conclusions arising from the study and these were reflected in a revised options included the Local Plan 'Options and Preferred

Strategy', the consultation on which finished on 15th April 2013. The main preferred option for the three growth areas are set out below in italics:

Bromley Town Centre

Seek the expansion and intensification of office use within Bromley Town Centre, particularly around Bromley South and Bromley North stations, supported by improved transport connections and recognition within the London Plan as an Opportunity Area.

There is a clear case in policy terms for promoting further retail and office floorspace provision in Bromley Town Centre, and the Town Centre AAP provides a policy basis for doing so. The particular challenges are in delivery terms. Demand for new office floorspace from corporate occupiers is focused within a 5 minute walking catchment of Bromley South Station.

Biggin Hill

Realise the full potential of the Biggin Hill SOLDC and accommodate a feasible higher level of economic growth, reviewing as appropriate constraints, such as accessibility, green belt boundaries and heritage designations while ensuring the environmental quality is maintained.

This location does not benefit from strong public transport or road links. However, there is an opportunity for incremental growth in the employment and business rate base over the period to 2031 if supported by a positive planning policy framework. This would focus on the development of the Airport as a hub for aviation-related activities, with an integrated strategy seeking to deliver supporting infrastructure in high end engineering, and training facilities, and modest office floorspace centred around creation of a serviced office facility to meet demand from local SMEs. The designation of the airport as a Strategic Outer London Development Centre would support this in policy terms and potential employment floorspace growth is estimated at between 15-20,000 sqm.

Cray Business Corridor

Increase the economic contribution of the Cray Business Corridor to the local renewal area and to the borough as a whole through improving the quality of the environment, review the boundary of existing designation and optimisation of sites.

The Corridor includes Sevenoaks Way/Cray Avenue comprising over 40% of the land within the borough's business areas, and Crayfields and Ruxley Corner which bring the total to over 50% of land within Business Areas. There is a forecast reduction in warehousing and industrial employment and floorspace over the plan period and it is important that these business areas can adapt to the demands of modern business. Modern business typically requires a higher quality environment than traditional industry and this is one of the key challenges for the Cray Valley. There is potential for additional office floorspace around the Crayfield Business Park. Growth Potential for new employment floor space based on a more intensive use of existing employment land is 38,500 sq.m.

- 3.5 We will be reporting the results of the consultation, with suggested actions to the Development Control Committee on 20th June 2013.

Growth & Delivery Plans

- 3.6 To support the aim of securing economic growth in the three employment areas will require the creation of individual Growth and Delivery Plans. The purpose of these plans will be to:
- Consider and assess stakeholder requirements and expectations;
 - Support the Local Plan process and inform the production of the strategic planning framework for growth areas and assist in bringing forward development proposals. The main planning policy and support documentation, including sites allocations and Infrastructure Delivery Plans, will continue to be progressed as part of the Local Plan review;
 - Incorporate an options appraisal as part of the technical work that is informed by a broad viability assessment;
 - Result in a usable, relevant document that will positively influence decision making in terms of planning and development control, help attract public and private investment by clarifying relevant strategic planning issues, and enhance the overall perception of the employment area;
 - Give a clear indication of the potential for development in terms of quanta and mix of land uses that are likely without and with further infrastructure improvements; and identify the infrastructure improvements that will be needed.
- 3.7 Each of the resulting Growth and Delivery plans must be legible, succinct and practical, and set out a clear narrative of how the area could develop to maximise regeneration and employment opportunities and benefits and establish any investment or policy interventions that need to be progressed in order for regeneration to be most effectively delivered. It is proposed that each of the growth and delivery plans will contain the following elements:
1. A preferred development land use option, informed by the results of the Local Plan (Options and Preferred Strategy) consultation, setting out mix, land uses and quanta of development.
 2. A transport study, which assesses the impact of growth on the transport network and identifies infrastructure and service improvements.
 3. A Development Capacity Study, utilising urban design and viability assessments to establish the quantum of development, which could be achieved in the employment area in terms of employment floorspace.
 4. A Development Infrastructure Funding Study, which will identify the infrastructure requirement to deliver the preferred development option and options for funding. The results of this work will need to inform the development of the Infrastructure Delivery Plan which is developed on a Borough Wide basis as part of the Local Plan review.
 5. Delivery Plan, which set out a coherent implementation programme linked to the Community Infrastructure key proposals.

Partnering and Resourcing

- 3.8 Each of the employment areas have very different characteristics and attributes and it is proposed to work closely with the existing planning frameworks and partnership structures to prepare, agree and resource the Growth and Delivery Plans. Work on the production of the growth and delivery plans for each of 3 strategic employment sites is progressing and they are currently at different stages of production. Attached as Appendix 1 is the draft project plan, with identified workpackages for each area and the proposed partnering arrangements.
- 3.9 In Bromley Town Centre the Council have been approached by the GLA with a view to examining the potential of designating BTC an Opportunity Area in the London Plan review. The Council is also currently engaged with Transport for London on examining the potential of a DLR extension from Lewisham. In support of this designation the GLA have suggested establishing a joint multi-disciplinary project team that would include strategic level spatial planning, urban design, regeneration, transport planning and project management. The GLA have indicated that this will either be resourced on their part through the engagement of a staff member on a short term contract or through a financial contribution to engage a team of external consultants. Given the current position with the Local Plan and the lack of urban design expertise it is considered the Council has limited resources available internally to support this joint team. It is considered that a limited amount of project management and 0.5 of a project officer time could be made available, but the rest would have to an extra resource.
- 3.10 Biggin Hill is the most advanced in the development and delivery of a Growth and Delivery Plan, due in the main to the establishment of the Locate Initiative. As part of the lead up to the production of the Local Plan 'Options and Preferred Strategy' the Locate Initiative have produced their initial land use option and carried out a development capacity study. It is proposed that the Council should utilise this partnering arrangement to undertake the remaining task in the project plan. These include the development viability, transport and infrastructure assessments which would have to be commissioned from external consultants as there is no capacity with the Council to undertake this work.
- 3.11 The Cray Business Corridor is the employment area where little recent research or development work has been undertaken. The corridor has been subject to periodic transport improvements to the A224 Sevenoaks Way and has been subject to pressure from out of town retailing given the success of the Nugent Retail Park. In many ways the work required to produce the Growth and Delivery Plan for the Cray Business Corridor is the most straightforward and is in essence an estate renewal plan. It is proposed that given the absence of a visible business partnership, a brief for the work should be produced and an external team of consultants engaged to undertake the work programme. Support on identifying land ownership and mapping and internal project management could be provided from current planning resources. As with Biggin Hill transport assessment will need to resources externally.
- 3.12 It is ambitious to undertake the preparation of 3 growth and delivery plans simultaneously, however, given the existing and proposed partnering arrangements it is possible to achieve. To successfully undertake the work programmes outlined in Appendix 1 will require additional resources being identified by the Council. It is estimated that a minimum of £170k will be required to support the engagement of external consultants to support the delivery of the programme.

4. POLICY IMPLICATIONS

- 4.1 Work delivering the Draft action plans for three employment areas in the borough is entirely consistent with Policy Objectives set out in Building A Better Bromley and Renewal & Recreation Portfolio Plan. The work of the Renewal Group links to the Building a Better Bromley priorities by working towards the provision of Vibrant and Thriving Town Centres.

5. FINANCIAL IMPLICATIONS

- 5.1 The estimated cost of the additional resources needed to support the production of the 3 Growth and Delivery Plans is £170,000. It is proposed that this funding is allocated from the new Economic Development and Investment Fund budget. Any release of the funding will be subject to a further report detailing how these monies will be utilised. Further funding maybe required in the future to support the development implementation of the delivery plans and further update reports will be brought back to the Executive if required. The funding will be used to complete the tasks outlined in paragraph 3.7 and could include a contribution to a jointly funded temporary development planner post with the GLA and a range of reports commissioned from specialist external consultants. These reports will include: transport and infrastructure modelling; office market analysis; urban design and massing studies; and development and commercial viability assessments.
- 5.2 A key priority for the Council is economic development. Economic development creates employment opportunities, potentially reducing the cost of council tax support, and generates income through business rates and new homes bonus. There will be other funding opportunities to support economic development through the Community Infrastructure Levy and Section 106 monies set aside for employment opportunities. The Provisional Final Accounts 2012/13 report elsewhere on this agenda requests further funding for a new Economic Development and Investment Fund which will support a continuation of the purchase of investment properties and provide a contribution for new economic development initiatives.
- 5.3 One of the key outputs from the Growth and Delivery plans will be detailed information on future investment options for the Council to consider as part of its aim to facilitate the growth agenda. In Bromley Town Centre work is progressing on the selection of a preferred development partner for the main retail expansion opportunity at Churchill Place. In response to the development tender the Council received on 20th May 2013 a development proposal from Muse Developments, part of the Morgan Sindall Group PLC. Officers are currently assessing this proposal with a view to reporting to the Executive in September 2013. Initial assessments would suggest that some form of Council investment, particularly around land acquisitions, will be required to secure the full implementation of the masterplan proposal. The site acquisition cost for the first phase of the Masterplan have been estimated at £37m and the extent of any Council investment requirement will be subject to further assessment and discussion with Muse Developments and subject to approval by the Executive. Whilst the full extent of the investment opportunities will not be know until the conclusion of the appraisal work, initial assessment would suggest that there could be investment opportunities in excess of £40m. Any projections would need to be treated with extreme caution at this early stage and will be dependent on any final schemes proposed.
- 5.4 Priority should also be given to generate future capital receipts to support any further funding of the Economic Development and Investment Fund.

6 LEGAL IMPLICATIONS

6.1 None for the purposes of this report.

7. PERSONNEL IMPLICATIONS

7.1 It is proposed to resource the production of the growth and delivery plans through a series of external partnerships. The precise details of how planning staff will be deployed has yet to be finalised.

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| Non-Applicable Sections: | |
| Background Documents: (Access via Contact Officer) | Stimulating the Economy Study GL Hearn |