

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

Date: 18th September 2013

Decision Type: Non-Urgent Executive Non-Key

Title: TOWN CENTRES DEVELOPMENT PROGRAMME UPDATE

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Chief Officer: Marc Hume, Director, Regeneration and Transformation

Ward: All Wards

1. Reason for report

1.1 To update Members of progress on delivering the Town Centres Development Programme

2. RECOMMENDATION(S)

2.1 Members are asked to note the progress on the delivery of the Town Centres Development Programme

Corporate Policy

1. Policy Status: Existing Policy: Bromley Town Area Action Plan
 2. BBB Priority: Vibrant, Thriving Town Centres:
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Financial

1. Cost of proposal: NA
 2. Ongoing costs: Non-Recurring Cost:
 3. Budget head/performance centre: Renewal
 4. Total current budget for this head: £164K
 5. Source of funding: Local Public Sector Agreement Reward Grant (LPSA), earmarked reserve for Town Centre Development
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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

Development Programme

- 3.1 Attached as **Appendix 1** is an update on the progress that has been made in delivering each of the individual projects that make up the Development Programme. Members are asked to note the following key milestones that have been achieved since the last update report to the R&R PDS.

Churchill Place (Site G) Update

- 3.2 Members at the Executive meeting on 24th July 2013 agreed that Muse Developments should be awarded the status of preferred development partner and that the Council enter into an exclusivity agreement for a period of 12 months. This agreement is currently being drafted and is subject to on-going discussions as a prelude to further negotiations, which if successful, would lead to completion of Heads of Terms and the signing of a development agreement. In this period both parties will work together to refine the scheme proposal and commence the planning design. This period would also allow crucial commercial/risk matters determining scheme viability and deliverability to be pursued and concluded.
- 3.3 Officers are currently assessing the financial appraisal and cost/revenue assumptions that underpin the development proposal. Initial assessments would suggest that some form of Council investment, particularly around land acquisitions, will be required to secure the full implementation of the master plan proposal. The site acquisition costs for the first phase of the Masterplan have been estimated at £37M.
- 3.4 The Council's development advisors Montagu Evans are preparing a detailed assessment of Muse's development appraisal and assumptions and this will provide the Council with a full suite of investment options. In summary, the Montagu Evans report makes the following high level observations on the development proposal:
- From experience of this project and others we have been involved in with Muse, we believe them to be an excellent partner for long term projects being delivered in partnership with a local authority;
 - Muse and particularly their architect, Holder Mathias, have brought forward a comprehensive design and masterplan solution that responds very well to the Council's brief.
 - Presently, the risks of deliverability appear to be largely focused around 3 elements:
 - **Site Assembly**
 - **Viability**
 - **Anchor Store**
 - It is obvious from the work undertaken by Muse that if they delivered a scheme in accordance with their proposals, meeting their qualitative ambitions and it was sufficiently complementary to the Glades/existing Bromley offer, that it would be to the betterment of the Town. Without this level of significant investment, there is a real danger that Bromley will fall down the retail rankings as the affluent catchment go elsewhere for their retail and leisure experience.
- 3.5 A wider business case is also being prepared that will examine the wider financial and non-financial benefits that will arise from a successful development.

4. POLICY IMPLICATIONS

4.1 Work delivering the Town Centres Development Programme is entirely consistent with Policy Objectives set out in Building A Better Bromley 2011-2012 and the Renewal & Recreation Portfolio Business Plan 2013/14. The work of the Renewal team links to the Building a Better Bromley priorities by working towards the provision of Vibrant and Thriving Town Centres.

5. FINANCIAL IMPLICATIONS

5.1 In May 2012 Executive agreed that additional funding of £150k be set aside from uncommitted PSA/LAA reward grant monies to fund specialist legal and development advice. This was required to support the appointment of a preferred development partner and bring to a conclusion a development agreement for Site G. This funding was combined with the balance of £83k remaining from the Town Centre Development Programme, to provide a total budget of £233k. To date £69k has been spent/committed, leaving an uncommitted balance of £164k to fund specialist advice for the remaining part of the procurement process.

6. LEGAL IMPLICATIONS

6.1 None for the purposes of this report.

7. PERSONNEL IMPLICATIONS

7.1 None for the purposes of this report

Non-Applicable Sections:	Legal Implications, Personnel Implications
Background Documents: (Access via Contact Officer)	NA