

**Decision Maker:** Renewal and Recreation PDS Committee

**Date:** 23<sup>rd</sup> June 2014

**Decision Type:** Non-Urgent                      Non-Executive                      Non-Key

**Title:** TOWN CENTRES DEVELOPMENT PROGRAMME UPDATE

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**Chief Officer:** Marc Hume, Director, Regeneration and Transformation

**Ward:** All Wards

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1. **Reason for report**

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

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2. **RECOMMENDATION(S)**

**Members**

2.1. 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 and Capital Programme
  4. Total current budget for this head: £132k and £3.257m
  5. Source of funding: Town Centre Development Fund, capital receipts and TfL funding
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### Staff

1. Number of staff (current and additional): 3
  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: N/A

### **3. COMMENTARY**

#### **Development Programme**

- 3.1 As agreed at R&R PDS on 1 April 2014 this report provides updates on only those individual projects where progress has been made.

#### **Site C: Town Hall**

- 3.2 Cathedral are required under the agreement for lease to submit their planning application by September 2014. The grant of the long lease is conditional on them obtaining planning permission to convert the Town Hall into a hotel, conference centre and associated restaurants.
- 3.3 Surveys have been carried out and a formal Pre – Application enquiry has been submitted to the Council’s Development Control section detailing the conversion of existing buildings to 100 bedroom hotel, restaurant, conference and spa facility. Cathedral aim to open the hotel and conference centre in the Spring of 2016.

#### **Site G: West of High Street**

- 3.4 Officers are finalising an appraisal report on the current Muse Developments submission for Churchill Palace (Site G), which is due to be considered by the Executive in July 2014 as Part 2 report. Initial assessments would suggest that some form of Council investment, particularly around development costs and land acquisitions, will be required to secure the redevelopment of the site.
- 3.5 Subject to the approval of the R&R PDS Chairman, it has been proposed that a special PDS be convened in July to consider this Part 2 report on Site G development options prior to this report being considered by Executive on 16 July 2014.

#### **Bromley North Village**

- 3.6 Works in East Street, White Hart Slip and Naval Walk are now complete aside from minor finishing works. Works are well underway and are progressing on schedule in the pedestrianised area of Market Square and in the High Street. Thames water works to replace the water main are progressing well on the final section in Market Square, which is likely to be completed by the end of June. As summer approaches, on site working hours will be extended, which has been outlined in the original schedule. The scheme is due to be completed on 30 November 2014 in time for the important Christmas trading period.

#### **Orpington Town Centre**

- 3.7 Plans Sub-Committee on 5 June 2014 approved a scheme by Miller Development for the Walnut Shopping Centre for a part 4/ part 5 storey building. This 2014 revised scheme will provide 7 screen cinema (950 seats); 3 retail units; 3 restaurant/ cafe units, a gym at mezzanine level and the creation of a new square with associated landscaping at the Crown Buildings site. Miller are due to start on site in July.

- 3.8 The scheme will result in a multi – million pound investment with the creation of up to 130 jobs. A quality designed scheme, it will deliver much needed modern retail units capable of attracting high street retailers which are not currently represented in Orpington. The gym, a new element to the scheme, alongside a cinema and restaurants will broaden the leisure offer in the town centre. The regeneration of a redundant site in the heart of the town centre will act as a catalyst for further high quality regeneration of the Walnut area and the town centre.
- 3.9 Berkeley Homes has completed the purchase of the Police Station site with a view to developing a mixed-use scheme comprising residential and a health and well-being centre. Officers are advising on the best way to bring this forward.
- 3.10 As part of reviewing the business case for The Priory previously requested by the Council's Executive Committee, detailed designs have been developed to establish more accurate delivery costs and a full assessment of the revenue implications of proceeding with the project. A report outlining the options for the future of the Priory will be considered by the Council's Executive Committee in July.

### **Beckenham**

- 3.11 As reported at committee on 1 April 2014 work can commence on the design and development stage of the Town Centre Improvement Scheme, including the re-establishment of the Working Party chaired by Cllr Tickner. Project governance protocols have been established.
- 3.12 A number of surveys have been completed, including utilities surveys (carried out in house). A Topographical Survey was commissioned covering the town centre and the area around the main forecourt of Beckenham Junction Station. Results of this survey have now been received. In consultation with TfL, a brief for traffic modelling is currently out for tender which will consider traffic implications for a wider area. This is a key piece of work which will set the pace for the programme going forward.
- 3.13 The first of two Design Reviews with Urban Design for London will be taking place on 25 June which will consider the Concept Designs submitted as part of the Council's bid. An iterative process of design with traffic modelling will need to take place over the design period.
- 3.14 In addition to regular Beckenham Working Group meetings, wider consultation has started. The project has a webpage in the Council's Website. The Bid Concept Plans were made available at Beckenham Business Association Breakfast Meeting on 30 April. These plans were also displayed at Market Day event on Beckenham Green on 10 May where approximately 70 people visited the Council's Van. Currently the following future events are planned:
- Business Breakfast meeting – 25 June
  - Summer Market Day – 12 July
  - Autumn Market Day – 20 September
  - Consultation with shops and businesses Summer/ Autumn
- 3.15 Subject to traffic modelling, the overall programme for the design and development stage of this scheme is as follows:

Finalise outline design (RIBA Stage C)	Winter 2014/15
Formal Consultation	Spring 2015
Council Sign off of scheme design	Spring 2015
Detail Design	Commenced Spring 2015
Approvals (Main) from TfL	Throughout 2015
Implementation	Commencement 2016

### **Crystal Palace and Penge Renewal Strategy**

- 3.16 The GLA in consultation with the 5 Boroughs that adjoin Crystal Palace Park have agreed to fund the production of a Regeneration Strategy for the Crystal Palace area. This Strategy will set a framework for future funding bids to the Mayor's evolving High Street fund. The regeneration strategy will cover both Penge and Anerly centres. Interviews with potential consultants are due to take place on 12<sup>th</sup> June 2014 and the strategy should be completed by January 2015.
- 3.17 The lease of the property in Green Lane identified for the new library has been completed. The Executive on 2<sup>nd</sup> April 2014 agreed the appointment of the building contractors. Work commenced on site on 6 May 2014. Timescale: Opening is scheduled for late summer 2014.
- 3.18 Negotiations are ongoing with Zhong Rong Group regarding their proposals for the rebuilding of Crystal Palace on the original site and for the refurbishment of the park. Negotiations are currently focussed on the lease agreement, including the length of the lease, area of demise and arrangements for the land deal.

### **Growth Study Update**

- 3.19 The Local Plan report to Executive in February 2013 identified a policy objective to maximise economic growth, which included a commitment to identifying investment opportunities and undertaking key infrastructure improvements in the main growth areas of: Biggin Hill and the Cray Business Corridor. Consultants URS and DTZ were commissioned to provide a critical assessment of the future growth capacities of both Biggin Hill Strategic Outer London Development Centre and the Cray Business Corridor. These growth assessments have informed the development of planning policy options for these areas which are being taken forward as part of the Local Plan review.

### ***Cray Business Corridor***

- 3.20 The initial findings from the growth capacity work found that the Cray Corridor has a wide variety of employment sites which on the whole are well functioning, well managed and support a diverse range of businesses. In depth analysis of capacity of the corridor found that the area could support maximum additional growth of approximately 58,000 sq.m (11.6ha) over the 15 years, which at a blended industrial job density of 1 job per 54m<sup>2</sup> would equate to 1074 new jobs.
- 3.21 This growth would be brought forward partly through private owners redeveloping vacant sites such as the Klingers site at Ruxley Corner. However, for many of these under developed and derelict sites, there has been a clear failure of the market to bring about timely redevelopment. This is in part due to the fragmented landownership patterns, poor servicing infrastructure and competing uses increasing the cost of industrial land. The benchmark industrial land values for an acre is between £650-£750k (£1.60m -£1.73m per

hectare) which is well below the values retail or housing uses can support. New industrial floorspace supports typical rents in the order of £8.5 - £9 per sq ft (£90-£95 per sq m) and the yield for a new multi-let industrial estate would attract interest at between 6-6.25%. Given a typical benchmark build cost of industrial buildings of £50-£60 per sq ft (£550-£650 psm) this is a major impediment for the redevelopment of industrial floorspace as speculative developers can achieve a better return for non-industrial development.

3.22 The Council can achieve its wider regeneration and growth objectives by tackling the constraints that are contributing towards this market failure. More stringent planning policy that protects strategic industrial land is being promoted as part of the Local Plan review. In addition it is proposed to prepare development briefs on potential development sites in the Cray Business Corridor. This work would determine which interests need to be acquired to deliver a viable scheme as assessed via a detailed financial appraisal. This work would also build upon the infrastructure and transport assessments carried out to date to identify these enabling costs so they can be included in the Borough's Infrastructure Delivery Plan and future Transport for London Local Implementation Plan submissions. Where delivery requires land assembly this will be sought through negotiation. However, if necessary, the Council will use its Compulsory Purchase Order (CPO) to deliver the growth agenda. It is proposed that investment and development opportunities are also assessed in the other large industrial areas such Kangley Bridge industrial estate.

### ***Biggin Hill***

3.23 The current growth strategy being promoted by the Biggin Hill LOCATE Partnership forecasts growth of up to an additional 50,000 sq m of floorspace, which could equate to approximately 2,300 new jobs over the next 20 years. This is based on generating additional demand from existing occupiers and significantly expanding the opportunities to attract more global operators, supply chain and international customers bases. The Study found that the Strategic Outer London Development Centre (SOLDC) designation provides great opportunity for the Borough to adopt a more positive approach towards future development at Biggin Hill. This could include stipulating an allowable quantum of development for replacement and/or new commercial development in the SOLDC area.

3.24 The study recommends that the main focus for Council intervention, outside of the wider planning policy review, should be on developing a credible long term business led solution for the cluster of Listed Buildings that form West Camp. It is proposed that the Council plays a more active role in the redevelopment of the area, utilising the potential offered by the prospective Mayor's London Enterprise Panel Growth Fund allocation for a future skills academy and hotel. This could also be linked to expanding employment floorspace for smaller businesses linked to aviation and mechanical and electrical engineering, who are currently housed in the smaller of the industrial estates in South Camp. The ambition is for the creation of a regional engineering training and business hub. This would require securing ownership of the site and taking a more active role in the development and delivery of the skills academy. These issues and opportunities are the subject of on-going discussions with the GLA, landowners and the airport operator.

## **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 A sum of £233k was set aside by Members to fund the Town Centre Development Programme. To date £101k has been spent leaving a balance of £132k available to fund specialist advice for the remaining part of the process.
- 5.2 On 16 December 2013, Transport for London(TfL) confirmed that the bid for Beckenham Town Centre had been approved and that £164k had been allocated for 2014/15 to fund the design work. TfL require specific 'gateways' to be met by the design work before the £2.181m balance of funding will be released. Full Council on 2 December 2013 agreed to add the Beckenham Town Centre Improvement Scheme, with a total estimated cost of £3.257m, to the capital programme.

<b>Non-Applicable Sections:</b>	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	NA