

Decision Maker: Portfolio Holder
Pre-decision Scrutiny By The Renewal and Recreation Policy
Development and Scrutiny Committee

Date: 27th October 2015

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

1. Reason for report

- 1.1 To update Members on progress in delivering the Town Centres Development Programme.
- 1.2 To seek the Portfolio Holder's endorsement of the Concept Designs report for the Bromley Town Central High Street Public Realm Scheme.

2. RECOMMENDATION(S)

- 2.1 That the Portfolio Holder endorses the Concept Design report for the Bromley Town Centre Central High Street Public Realm Scheme.
- 2.2 Agrees the reallocation of S106 (Tesco) funding of £48k as set out in Paragraph 3.16 to ensure the funding is defrayed before the deadline.
- 2.3 That the Committee notes this report.
- 2.3 That Members 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: £48k
 2. Ongoing costs: Non-Recurring Cost:
 3. Budget head/performance centre: Renewal budget, Capital Programme and S106 funding
 4. Total current budget for this head: £70k, £10m, £135k, £48k, £1.871m and £342k
 5. Source of funding: Town Centre Development Fund, Growth Fund, Investment Fund, S106 resources, NHB/GLA High Street funding and TfL funding
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Staff

1. Number of staff (current and additional): 5
 2. If from existing staff resources, number of staff hours:
-

Legal

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

Customer Impact

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

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: Details of the comments will be raised at the meeting

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 G: West of the High Street

- 3.2 The Council is currently undertaking a soft market testing exercise to assess the market appetite for a residential led first phase redevelopment of Opportunity Site G. Subject to a positive outcome and approval by the Council's Executive it is anticipated that the development opportunity will be marketed in early 2016. The Council has been advised that the recent bid for Housing Zone status will now be considered by the Greater London Authority's (GLA) Housing Investment Group on 10th November 2015, the results of which will reported back to a future meeting to the R&R PDS Committee

Site C: The Old Town Hall

- 3.3 The Old Town Hall and adjacent residential scheme under ref 15/00140/FULL3 went to DC committee on Sep 8th 2015 and was approved by members subject to a legal agreement which is currently being negotiated. It is anticipated that a decision notice will be issued by Nov 6th 2015.

Bromley Central Area High Street Improvements

- 3.4 The design team, Studio Egret West have completed the Stage C report which is attached as Appendix 1 for review. The outline design has been based on the following design principles which have been developed in consultation with stakeholders:
- Introduce a hierarchy of public spaces where people can dwell.
 - Green the High Street.
 - Create shelter within the High Street for year round enjoyment.
 - Create better links to Bromley's greenspace.
 - Encourage street activity & enhance pedestrian experience.
- 3.5 Key features of the emerging design is the reordering of spaces in the High Street to create a new public square in the southern pedestrianised area, which could contain semi-permanent kiosks which would act as anchors to the new square. It is proposed that the existing market is reorganised and relocated along the High Street, with a significant proportion occupying the space in Market Square. The outline design will now be fully costed and a report seeking funding for the detailed design stage will be prepared for consideration by the Executive in December,
- 3.6 It should be noted that this scheme will require both revenue and capital funding. The full cost of the scheme will be reported back to Members following completion of the detailed design.

Opportunity Site B Tweedy Road

- 3.7 The AAP policy for Opportunity Site B Tweedy Road encourages the Council to work with developers to secure the sensitive redevelopment of the site for residential purposes. Policy guidance is clear that any development will be required to respect and enhance the historic environment and setting of both Bromley College and Sheppard's College. Further guidance on the redevelopment of the site is provided in Appendix 5 of the AAP covering Design Principles.
- 3.8 The site is currently being used as the works compound for the Bromley North Village and Widmore Road public realm improvements. It is anticipated that these works will be completed by the end of November 2016 and the temporary use will end. It is proposed that a report is considered by the Executive in December 2016 seeking approval to market Opportunity Site for sale and possible joint venture options.
- 3.9 To support the potential marketing of this site officers have been working with an Holder Mathias architects to provide clearer guidance as to the form and style of development that would be considered acceptable on this site. This work has analysed the previous planning and appeal history for the site and sets out clearer guidance on how development on the site could be considered. The preliminary results of this work are attached as Appendix 3. The design team have also consulted with the representatives of the Bromley Civic Society, Bromley Colleges and Historic England and their views will be incorporated into the final marketing document.

Beckenham Town Centre Improvements

- 3.10 The Council received notification on 16 December 2013 that Transport for London (TfL) had approved the Beckenham Initial Scheme Design (Step 1) bid and funding of £310k was allocated to cover Design and Development costs. This funding was to be used to cover the costs of undertaking survey work and producing and consulting on an outline scheme design. This initial funding allocation also included the costs of working up a detailed design to contract stage drawings. The original estimated cost of the concept scheme was £3.257m and in support of the bid the Executive on 16th October 2013 approved the allocation of £912k (£762k Capital Receipts & £150k Members Initiative earmarked reserves) to match fund the TfL allocation of £2.345m towards the improvements.
- 3.11 Since the approval of funding for the design phase of the project, the Council has been working with the design team and external stakeholders to refine the scope, design and costings of the scheme. The outline design stage is now complete and the resulting design has been presented to both the Beckenham Town Centre Working Party (2nd July 2015) and Bromley Town Centre Member Working Party (1st October 2015) for their endorsement. Work is now moving on to completing the detailed design stage prior to anticipated implementation in mid- 2016. It is still subject to final stage sign off by both TfL and the Council's Executive.

Revised Scheme Design

- 3.12 The original concept design upon which the original Step 1 bid was based has been amended to reflect the specific input from:
- Urban Design London (TfL) Design Surgery June 2014.
 - Traffic Modelling February 2015.
 - Public Consultation 2014-15.

The design team have worked closely with stakeholders, including the Beckenham Town Centre Working Party, to refine specific design elements, and the revised design has benefited from feedback from site visits this group have undertaken. The proposed changes, many of which were requested by TfL, have resulted in a significantly improved scheme, which will enhance delivery and add to the original bid outputs and outcomes. Proposed changes and benefits include:

- Adopting a focus on investing in improving the origin and destination points in the High Street. This has included upgraded treatment of the spaces around the Odeon Cinema, Sainsbury and Lidl forecourts, Beckenham Green, Kelsey Square and the Station forecourt.
- Enhanced improvements at Beckenham Green that integrate the space better with the High Street and St George's Church. Note that Beckenham Junction and Beckenham Green were cited as top priorities in the public consultation.
- Feedback from stakeholder site visits to Richmond and Twickenham have influenced the redesign of the crossing treatment, with an increase in the quality of material on the footway and a simpler asphalt treatment on the carriageway.
- The most substantial change from the original scheme scope is the proposal to replace the whole of the footway in the High Street instead of undertaking limited maintenance works outside of the junction areas. It is now proposed to upgrade the whole length of the High Street from the War Memorial to Beckenham Junction by replacing the existing footway surface with new high-quality paving. It is also now proposed to resurface the whole of the road carriageway.

Scheme Assurance and Delivery

3.13 In addition to the work outlined above, the design team has worked closely with a number of other internal teams to ensure that the scheme is buildable, that the impacts (particularly on traffic) are understood and that the scheme meets local expectations. The Borough's Highway Engineering team have scrutinised the designs to ensure that they meet all the necessary engineering design standards and detailing. A topographical survey was undertaken and the designs transposed onto the accurate plan. The team has advised on issues such as drainage, vehicle turning requirements at junctions and potential construction methodologies.

The designs have also been subject to traffic modelling to investigate the impact on traffic and congestion, which shows that any journey time increases are within an acceptable limits and do not affect the heavily used A2015 Rectory Road.

As part of the design development process a series of public consultation events were carried out in Spring 2015. A summary of the consultation responses is attached as Appendix 2, along with of the consultation's conclusions on the priority of improvement projects, which led to many of the design changes. This consultation confirms that the revised improvement scheme has significant local stakeholder support.

Revised Cost Plan

3.14 As part of the review the Council also undertook a detailed scheme costings exercise. This exercise identified the significant cost differences between the original Step 1 budget estimations and the more detailed Work Stage C revised scheme drawings. The design team have worked with the engineering team to attempt to reconcile the cost differences and eliminate any unnecessary costs items. The revised scheme has then been costed

using the Council's Framework Agreement with F M Conway. The main items driving the cost increases include:

- Term Contract Price Inflation Increase (£400k)
- Proposed replacement of all footway surfaces in the High Street. (£250k)
- Enhancement of surface treatment to origin and destination hotspots (£309k)
- Full Carriageway Resurfacing (£272k)

3.15 The estimated cost of the revised scheme is now £4.697m, which represents an increase in costs of 44% on the estimated cost of the original concept scheme. Transport for London have agreed to review their funding support as part of the detailed design stage within an additional £950k funding envelope, making their maximum contribution to the improvement project £3.295m. Subtracting the previous Council capital allocation of £912k made in October 2013, leaves a potential funding shortfall of £490k.

3.16 In addressing the resulting funding shortfall Officers are currently in discussions with Network Rail on integrating their proposed improvement works to Beckenham Junction Station, so these improvements can contribute to meeting the costs of the proposed improvements to the station forecourt and pedestrian linkages to the High Street. Funding will also be sought from the Borough's LIP Road Resurfacing allocation to contribute the resurfacing of the High Street, which has previously been highlighted as a priority area following a condition survey. Officers are also examining whether the allocation of S106 funding from the Glaxo Smith Kline's S106 agreement, which can be used for initiatives that promote employment opportunities, can contribute to the funding shortfall. It should be noted that work is expected to start on the development in the next few months. The first contribution is expected to be paid to the Council, 18 months from the start of the development.

3.17 TfL acknowledge that additional funding will be required to cover the cost of the detailed design work as part of the Design & Development stage and they have allocated a further £32k in 2015/16 to cover this, bringing the detailed design budget allocation to £342k. As was the case in Bromley North Village, it is proposed to use the Council's Highway Term Contractor F M Conway to undertake the detailed design for this improvement scheme. It is anticipated that this work will take approximately 5/6 months to complete. Further reports will be brought back to the R&R PDS and Executive Committees to update on design, costs and funding.

Associated Improvements

3.18 Portfolio Holder approval was sought at the R&R PDS Committee on 2 September 2014 to allocate £47K of Section 106 (Tesco) funding to a number of key projects which are complementary to the main TfL funded scheme but which could be implemented in advance of the main scheme. The bulk of this funding (£40k) was allocated towards to cost of design, manufacturing and installing of a stage cover, with the balance being allocated for market infrastructure. The S106 agreement requires all monies to be spent by 23 February 2016. Initial work on the provision of market infrastructure has shown that the cost of the facilitating infrastructure to be significantly higher than originally estimated. Approval is therefore being sought to reallocate the S106 funding, including any interest accrued (£1,026), from the stage cover towards the market infrastructure and associated works, the cost of which can be defrayed within the time limit set by the S106 deadline. It is proposed that the stage cover improvement will be delivered as part of the main improvement scheme.

- 3.19 In relation to the Rectory Road/South Road Junction works the Highway's team has advised that the designs for the junction are complete; this includes the designs for the signals ducting, drainage/levels, lines and signs as well as the layout of the junction. These designs have been approved by TfL (approval was required because the scheme is part of the Strategic Route Network).
- 3.20 There is an issue with Virgin Media installing new cables in the footway, whereby, they dispute the fact they are not to the required depth and have refused to move them unless they are paid to do so. LBB is investigating legal methods but this is causing additional delay.
- 3.21 The result is that the works cannot now be completed prior to the December moratorium on works. Therefore, works will probably start on the junction in late January once the moratorium ceases. However, it is likely that some advance/accommodation works can be done before Christmas. These works do not affect the existing carriageway so no traffic management will be required, and by getting these elements of the works done early, it will help speed works up when they do eventually start.
- 3.22 One advantage of the delay is that when the works are carried out they are likely to be the final works using the permanent materials rather than a temporary surface which would have been replaced as part of the Major Scheme. This is dependent on the palette of materials being finalised, but will result in less disruption overall. The full programme of works is likely to be 6-8 weeks. Temporary traffic lights will be in place during this period.

New Homes Bonus and High Streets Fund Updates

- 3.23 Following the finalising of a legal agreement with the Greater London Authority (GLA) the Council has procured and appointed urban design teams to produce design options for improvements to the public realm of Penge High Street and Orpington Walnut Square under the New Homes Bonus Top Slice Fund (NHB) and High Street Fund (HSF) programme.
- 3.24 In accordance with the Council's Project Management governance, Project Teams have been established to take forward these projects over the next two years and two project officers have been appointed in August to manage development and delivery.

Orpington

- 3.25 Architects, East Architecture have been appointed after a competitive tendering process using the GLA Architecture and Urban Design Framework Panel, to undertake the design work for the Walnuts Square Public Realm Project. The next stage will consist of developing options, which will then be subject to consultation by the full range of stakeholders and culminate with production of the detailed final design for implementation. It is anticipated that implementation of the scheme will commence in Spring 2016.
- 3.26 In accordance with the High Street Fund Agreement with the GLA the Orpington 1st Bid Company has procured 8 gazebos for the purpose of delivering the enterprise market. These stalls were market tested during a September event and will provide trading platforms for new start-ups and independent businesses in Orpington Town Centre.

Penge

- 3.27 Kinnear Landscape Architecture have been commissioned, following a competitive tendering process using the GLA Architecture and Urban Design Framework Panel to

review design issues surrounding Penge High Street and develop options for public realm improvements and way-finding in the town centre. The full range of stakeholders will be consulted in the design development process over the coming months. The final designs are expected to be produced by Spring 2016 followed by the delivery of the scheme which is expected to be implemented alongside TfL funded carriageway and bus route improvements to the High Street.

Cray business Corridor

- 3.28 A project officer was appointed in August 2015 to take forward the Cray Business Corridor Growth Initiative NHB project work stream.
- 3.29 Approximately 48ha of the main stretch of Cray Avenue / Sevenoaks Way is identified in both the London Plan and UDP as designated Strategic Industrial Location (SIL). From this total the Council's initial assessments has shown that approximately 20ha is currently in non-industrial uses, with the long standing industrial integrity of the area being eroded by retail warehousing and trade counter uses. As part of the Growth Initiative, the Council's main objective in this area has been to identify industrial areas where economic intensification can be facilitated and supported.
- 3.30 Previous growth studies assessed the potential growth capacity of Small and Medium-sized industrial firms within the SIL and provided recommendations to bring potential development sites forward. These recommendations were agreed by the Council and formed the initial work programme for the Cray Corridor growth initiative. Officers have now had an opportunity to meet with representatives of the key strategic sites, including the Klingers Site (Ruxley Lane), the Lagoon Road Industrial Estate and Allied Bakeries. Initial feedback from these meetings has confirmed that there exists significant development interest in these key sites and the willingness of some site owners to work collaboratively with the Council. Feedback from some of the large commercial agents confirms that there remains significant demand from out of town retailers and trade counters to relocate onto these strategic sites. However, the Council's assessment has also illustrated that where there exists good quality modern industrial premises, such as on the Cranfield's Industrial Park, there is strong demand from industrial firms and rents are starting to increase. In addition to continuing to work with land owners to realise site potential the Council will also be undertaking further work on quantifying the demand.
- 3.31 The Council will be working with The Society of London Manufacturers (Soloman) on this demand study, the results of which will be used to inform the Local Plan review.

Biggin Hill

- 3.32 A project officer to manage the Biggin Hill NHB project was appointed in August 2015. The stakeholder Project Board has subsequently met to discuss and agree the initial work programme. Consultations have been undertaken with individual stakeholders including Biggin Hill Airport Limited, Bromley College, Historic England and the GLA. Work is also underway to assess and market test potential demand for managed workspace with local providers.
- 3.33 Regular update reports on the progress of the NHB and HSF projects will be brought back to the relevant Executive and Renewal & Recreation PDS Committees.

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 and the Renewal & Recreation Portfolio Business Plan 2014/15. 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, including Site G. To date £163.3k has been spent or committed, leaving a balance of £69.7k available to fund specialist advice for the remaining part of the process.
- 5.2 On 26th November 2014 the Executive approved the establishment of the Growth Fund and allocated £10m of reserves to this Fund. Within this sum, an amount of £2.7m was approved to purchase properties within the red line development site in Bromley as part of the Housing Zone Bid and up to £200k for specialist legal and development advice required to finalise a development agreement with a preferred partner.
- 5.3 At the 26th November Executive meeting, a sum of £135k was also set aside from the Investment Fund for Bromley Town Centre to meet the estimated feasibility costs of the proposed redevelopment programme. To date, nothing has been committed from this allocation.
- 5.4 The Concept Design for the Bromley Town Centre Central High Street Scheme highlights that there will be both revenue and capital costs associated with the scheme. These will be reported back to Members along with the funding options once the detailed design work has been completed.
- 5.5 This report is seeking Portfolio Holder approval to re-allocate the S106 funding balance of £48,026, from the stage cover to the provision of market infrastructure and associated works in Beckenham. These monies are from the Tesco Croydon Road development and must be fully spent by 23 February 2016.
- 5.6 The estimated costs of the Beckenham Improvement scheme have been revised following the detailed design work and input from TfL. The costs have increased by 44% and are now estimated to be £4.697m. Para 3.10 above, details the main variations and the table below summarises the variances: -

Design, Development and Implementation costs	Original Estimate	Latest Estimate	Variance
	£'000	£'000	£'000
Stage 1 Design and Development costs			
Transport model & survey work	45	45	0
Feasibility & outline design	70	70	0
Detailed design & consultation	195	227	32
	<hr/>	<hr/>	<hr/>
	310	342	32
Implementation costs			
Capital works including contingency	2,747	4,155	1,408
Scheme management costs	200	200	0
	<hr/>	<hr/>	<hr/>
	2,947	4,355	1,408
Total estimated scheme costs	<hr/>	<hr/>	<hr/>
	3,257	4,697	1,440

- 5.7 The Council had previously agreed a contribution of £912k towards the scheme and TfL have now confirmed a maximum contribution of £3.295m, which includes the £342k for the design and development costs. This leaves a potential funding shortfall of £490k. Officers are investigating various options to address this shortfall including entering into discussions

with Network Rail about the integration of their proposed improvement works to Beckenham Junction Station, utilisation of part of the Borough's LIP Road resurfacing allocation and the potential use of the S106 contribution from the Glaxo development. The first part of the S106 contribution would be expected to be received 18 months after the start date of the development, estimated to be around Summer 2017.

- 5.8 The Council has been allocated a sum of £1.746m from the New Homes Bonus top-slice that has to be spent by the end of March 2017 and High Street Funding of £125k, supported by the GLA that needs to be spent by 31 March 2016.
- 5.9 The table below summarises the project expenditure for the two year period between capital and revenue: -

Project	Capital £'000	Revenue £'000	Total £'000
Penge Town Centre/Crystal Palace Public Realm scheme	746	200	946
Orpington Town Centre	525	100	625
Biggin Hill Aviation Technology & Enterprise Centre	0	150	150
Lagoon Road Industrial Estate Redevelopment	0	150	150
Total	1,271	600	1,871
Funding			
New Homes Bonus Top Slice Funding	1,146	600	1,746
GLA - High Street Funding	125	0	125
Total Funding	1,271	600	1,871

- 5.10 Officers will ensure that any improvements will result in no net increase in revenue costs for the Council for the Orpington and Penge public realm projects.

6 LEGAL IMPLICATIONS

- 6.1 None for the purpose of this report

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