

Decision Maker: RENEWAL AND RECREATION POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: 6th April 2016

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

Title: TOWN CENTRES DEVELOPMENT PROGRAMME UPDATE

Contact Officer: Kevin Munnely, Head of Renewal
Tel: 020 8313 4519 E-mail: kevin.munnely@bromley.gov.uk

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.

2. RECOMMENDATION(S)

2.1 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: N/A
 2. Ongoing costs: N/A:
 3. Budget head/performance centre: Renewal budget, Capital Programme and S106 Funding
 4. Total current budget for this head: £13.154m
 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:
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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? Yes
2. Summary of Ward Councillors comments: Officers hold regular update meetings with Ward Councillors.

3. COMMENTARY

Development Programme

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

Bromley Town Centre Housing Zone

- 3.2 The Mayor of London announced on 17th March 2016 his intention to designate Bromley ?it was designated on 17th March Town Centre a Housing Zone. The Mayor allocated an estimated £27.1m to accelerate the delivery of housing in Bromley Town Centre, including Opportunity Site G West of the High Street and former Opportunity Site A Bromley North Station. Negotiations and consultation will now take place with the GLA prior to further commitments being made.

Site G: West of the High Street

- 3.3 The Executive at their meeting on 23rd March 2016 will consider a report that seeks approval to extend the red line boundary of the first phase redevelopment. Approval is also sought to use the London Development Panel to procure the development partner. The London Development Panel (LDP) is a multi-supplier framework panel administered by the Greater London Authority to assist the GLA family, London Boroughs, registered providers and government departments to accelerate the delivery of housing and other associated infrastructure. The panel specifically has developers who can carry out the development and disposal of mixed-use housing led sites which includes community facilities. It's also a free service. A full list of Panel Members is attached as Appendix 1, which includes many who have been involved in the soft market testing exercise.
- 3.4 The main benefits from the panel are the accelerated procurement process. The benefits of using the panel are listed below;
- Reduced procurement timeline from 27 weeks to 16 weeks allowing early delivery;
 - Access to standard documentation that suppliers are already familiar with which will speed up negotiations;
 - Reduces costs to the council on development consultancy fees as standard templates provided;
 - Reduces officer time as suppliers already pre-qualified;
 - It reduces risk as it can be used for early market engagement through soft market testing with panel members;
 - Access to the panel also offers standard procurement templates for seeking Expressions of Interest, Sifting Briefs, Development Agreements, Building Leases as well as a Development Appraisal Tool.

The panel is also flexible and allows for lead developers to partner with developers not on the panel list. It also allows for 2 sub developers to be appointed to the scheme.

- 3.5 In addition the format of the procurement would also include the following elements:
- The recommended route would be to use a Development Agreement to govern the parties' obligations.

- At Expression of Interest stage the Council would set-out the scheme parameters using the Holder Mathias Architects work so there is a clear framework – bidders would be asked to respond on how they would address this and asked to work-up their own detailed proposals to sufficient detail to allow the Council to examine the qualitative aspects of the proposed schemes and judge them accordingly in line with the pre-agreed scoring matrix. A scoring matrix will be prepared for Council approval which balances financial outputs with qualitative outputs, such as the scheme proposals and an ability to deliver.

Site A: Bromley North Station

- 3.6 A revised planning policy for former Opportunity Site A is currently being consulted on via the Local Plan review. In support of this review the Council is currently undertaking a massing and viability assessment of the development site. This work is still ongoing and currently being refined before being consulted on with Stakeholders.

Site B: Land at the junction of Tweedy Road and London Road

- 3.7 Following approval by the Executive on 9 February 2016, Opportunity Site B is now being marketed for sale and possible future joint venture options. The Executive endorsed additional design guidance to support the marketing of the site, which advises on the form and style of development that would be considered acceptable on the site. The guidance supplements the existing design guidance and has been consulted on with representatives of the Bromley Civic Society, Bromley Colleges and Historic England.

Bromley Central Area High Street Improvements

- 3.8 Further to the Executive approval of the Studio Egret West (SEW) Stage C Concept Design report, the Stage D Detailed design work has now commenced. It is estimated that the detailed design phase will be completed by September 2016.
- 3.9 Following a meeting with Kingston First and tour of Kingston Market, SEW are considering further options for the street. The proposals are being considered for emergency access requirements and the structural implications to the ground plane and underground services. Work is also being progressed on the initial design for additional shops in the High Street as part of the improvement scheme.

Beckenham Town Centre Improvements

- 3.10 Detailed design is on-going. Sample materials have been laid out in Beckenham High Street to test their suitability for the project. Design discussion with private landowners including Sainsbury and the Odeon Cinema is continuing for works on their land. The feasibility of a David Bowie tribute, design feature is being investigated. The fixed term contractor FM Conways has submitted a three month design programme of works. By early April the GA will be completed and all drawings will be issued by early May. The scheme was successfully presented to an Urban Design London, Design Surgery in February 2016.
- 3.11 A business case application was submitted to Transport for London in March 2016 to justify the increased funding. Transport for London has indicated that a decision about the business plan will be made in April 2016.
- 3.12 The Council is continuing dialogue with Network Rail about proposed improvements to Beckenham Junction Station. Network Rail have notified the Council that the proposals are subject to the publication of the Hendy Report which is currently considering rail infrastructure upgrades.

New Homes Bonus and High Streets Fund Updates

Orpington

- 3.13 LBB have had a scheduled design review with both East and the GLA which looked more closely on developing the more deliverable aspects of the project in line with the funding agreements. These include: bold and engaging signage to the library, creating the Oasis and atmospheric lighting to the trees, lighting and recladding the undercroft of the Leisure Centre, addressing the fire escape and an intervention (mural) to the blank facade of the leisure centre wall.
- 3.14 To date LBB and East have held constructive and quite positive meetings with the individual stakeholders (Bromley College, Leisure Centre, Walnuts Centre and Library) in order to steer the respective proposals in a way that complements the ambitions for the square. However, priorities in allocating available funding to enhance the terrace proposals by the college have meant that implementing more positive changes to the college exterior may not be within their grasp. Discussions with Rockspring (the walnuts leaseholders) have clarified the issues of funding and permissions for the desired improvements and all parties do not envisage any barriers to development if the scheme for the terrace were to progress. Discussions have been held with the library, who have agreed to look into how the proposed signage may be accommodated on the ground floor. The leisure centre has indicated that they are open to discussions once more clear/refined proposals become available.
- 3.15 A second stakeholder meeting took place on the 26th of February and presented to the stakeholders how the priorities of the square have been refined. The result of this workshop was a refocus on the existence of the current trees in College Square and the operation of the market by the new leaseholders (Rockspring). As a result the stakeholders were asked to produce a joint manifesto for the square which clearly defines their aspirations and provides a brief which specifically outlines the types of functions they wish to be made available on the square and how this could be supported.
- 3.16 The issues raised at the meeting have caused the design proposals of the Orpington Walnuts Public Realm to be revisited and put a delay on the Stage 2 report from being produced. However, these potential modifications to the general arrangement drawings will not hold back the other elements of the square (such as the Library and Undercroft) from being brought forward.
- 3.17 The Orpington First Bid Company has successfully delivered several elements of their business support programme under the New Homes Bonus Business support package for Orpington Town Centre. Following the completion of a Mystery Shopping exercise, across all high street premises, the team have developed a created a training programme to support both existing and start-up businesses. Orpington First have also partnered with Bromley College to organise and host the Opportunity Orpington business show and the team are currently working on the upgrade of the town web site to a more interactive and responsive site.
- 3.18 For the next stages in 2016/2017, Orpington First are expected to deliver a pop-up shop and a High Street Feasibility Study alongside their future business support programme.

Penge Town Centre Improvements

- 3.19 Kinnear Landscape Architects (KLA) have produced a Draft Stage 2 concept design report (attached as Appendix 2) outlining the proposals for improvements to Empire and Arpley Squares on the High Street. The focus of the project has been to improve Empire and

Arpley Square as complimentary spaces on the High Street with the objective of delivering a quality and exciting public realm scheme that includes improving the fabric of the Squares as well as offering opportunities for existing and proposed programmes of activation to populate these spaces.

- 3.20 For the next stage, it is proposed that the detailed design of the scheme, up to construction and tendering drawings, is undertaken by the Council's term contractor F M Conway, as was undertaken with the improvements in other town centre schemes within the Borough. KLA would continue to provide design oversight and lead on the detailing of the bespoke elements of design and special features
- 3.21 The Highways team have submitted a request to Transport for London for additional funding towards their bus route and junction improvements scheme for Penge High Street. Subject to the amount of additional funding granted, they will be looking to implement pavement improvements to complement the work done in the squares.
- 3.22 The KLA scheme along with proposals from the Highways team for bus route and junction improvements were presented to the public at the Penge Forum meeting on the 3rd of March at Christ Church Hall, Anerley. Ward members were present at this presentation.

Growth Projects

- 3.23 The main purpose of the New Homes Bonus funded Growth Projects in the Cray Corridor and Biggin Hill is to facilitate initiatives that support business rate growth in the Borough. The posts that have been funded have been working on developing work programmes that deliver this principle objective. The current updates provide an overview of actions that have been undertaken to date. The update also identifies a number of issues that have impacted on the effectiveness of the project. It is proposed that a full review of the Growth Projects will be considered at the next Committee Cycle of the Executive in May.

Cray Industrial Corridor

- 3.24 Work is continuing with the owners and promoters of the growth sites identified in the URS report. This has been extended to include Kangley Bridge and smaller/as yet identified industrial premises and existing industrial stock.

Klinger's Site

- 3.25 Officers have met with the developers who have an option on the site to discuss plans to redevelop the site to provide 11,650 sqm of B1c/B2/B8 uses on the site. The development proposals could involve the retention of the façade of the Listed Building and provide a range of industrial units for sale or rent. The developers have indicated that that they are willing to examine the options of providing smaller industrial units if the demand is justified. They have also indicated that they would be willing to discuss with the Council's potential investment options/opportunities that could deliver on the Growth Fund objectives. One possibility is the provision of purpose built small industrial units which could be financed via the GLA/LBB and held by the Council as an investment.

Edgington Way

- 3.26 The Land behind Edgington way was recently marketed and sold for in excess of £5m. Commercial feedback has indicated that the site has been purchased with a view to developing the site for car showroom, potentially to expand/relocate the adjacent Jaguar garage. This use will not be policy compliant and officers are seeking a meeting with the

new owners to confirm the precise position and scope out potential investment/development opportunities as part of any future redevelopment.

Allied Bakery Site

- 3.27 It has been confirmed by commercial agents that AB Foods will be relocating their distribution function from the site to a new location in Dartford. However, this site is unlikely to be available in the near future. The agents have informed the Council that their client has been undertaking some further reviews of the site and will soon be in a position to provide updates on their timetable. Once these reviews are complete the Council would like to be in a position to discuss options for potential investment. One option under consideration would be the refurbishment of the frontage local listed building to provide managed affordable workspace for SME's.

Lagoon Road

- 3.28 The Council has been in discussion with local commercial agents to confirm the current demand and supply position for commercial floorspace in the identified industrial areas. Discussions have taken place with agents Michael Rogers, who are acting for the owners of part of Lagoon Road Industrial Estate. They have confirmed that demand for development sites with the Cray Industrial Corridor remains high, with significant interest being shown by hedge funds. They report that this intense competition is increasing the price being paid for industrial land to the point where it is not commercially viable to redevelop sites exclusively for Class B2 Industrial land uses. The result is that fewer sites are coming to the market as there is little financial incentive for existing owners to consider redevelopment options. Where sites are coming to the market such as Edgington Way, the sales value are far exceeding current industrial land values.

Biggin Hill

- 3.29 Architects and Masterplanners Barron and Smith have been commissioned to carry out a masterplan and feasibility report to explore design options for the provision of an enterprise centre and training facility on the West Camp estate. The reuse of the Listed Buildings could provide over 5,000 sqm of new employment floorspace and the training requirement could create a new 4,000 sqm educational facility. The consultants selected have experience of preparing a masterplan at RAF Coltishall, Norfolk (which included similar listed buildings constraints on the site) and they designed the Norwich Aviation Academy educational centre located at Norwich Airport.
- 3.30 The design options will appraise potential scheme options to retain, reuse and extend the existing Listed buildings and as well as to cost indications for each. The Masterplan will address the space requirements identified by Bromley College (who have now partnered with Aviation Skills Partnership) for expanding their aviation and engineering training operations on the site. Bromley College are keen to lead on the delivery of the educational facility. The masterplan will also appraise the development potential of the rest of the West Camp site, with a view to identifying future growth options. The estimated programme for delivery of the masterplan and feasibility is early June 2016. At this stage the Council will be in possession of a Masterplan for the whole of the West Camp estate that will allow Members to make an informed decision of any future land purchase of the West Camp Estate from Pentbridge Properties. The report will also identify the most appropriate procurement options to take the site forward.

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 The table below summarises the financial position for each Town Centre Development project. It shows individual budgets, funding streams, spend and commitments and the remaining balances, including the split between capital and revenue expenditure: -

Capital	Budget £'000	Spend £'000	Com'tmts £'000	Total £'000	Balance £'000
<u>Housing Zone Bid</u>					
Growth Fund - Properties within red line development site	2,700.0	0.0	0.0	0.0	2,700.0
Growth Fund - Specialist legal & development advice	200.0	0.0	0.0	0.0	200.0
S106 PIL	3,000.0	0.0	0.0	0.0	3,000.0
	5,900.0	0.0	0.0	0.0	5,900.0
<u>Beckenham Improvement Scheme</u>					
TfL Funding (subject to approval)	3,295.0	156.6	199.8	356.4	2,938.6
Capital receipts	1,002.0	0.0	0.0	0.0	1,002.0
Earmarked Reserve balance for Beckenham Improvements	150.0	0.0	0.0	0.0	150.0
Principal Road maintenance 2016/17 allocation fro TfL	250.0	0.0	0.0	0.0	250.0
	4,697.0	156.6	199.8	356.4	4,340.6
<u>New Homes Bonus and High Streest Funded Projects</u>					
Penge Town Centre Improvements	746.0	20.4	23.7	44.1	701.9
Orpington Town Centre	525.0	48.0	21.0	69.0	456.0
	1,271.0	68.4	44.7	113.1	1,157.9
Total Capital	11,868.0	225.0	244.5	469.5	11,398.5
Revenue					
<u>New Homes Bonus and High Streest Funded Projects</u>					
Penge Town Centre Improvements	200.0	0.0	3.1	3.1	196.9
Orpington Town Centre	100.0	16.0	0.0	16.0	84.0
Biggin Hill Aviation Technology & Enterprise Centre	150.0	18.7	0.0	18.7	131.3
Cray Business Corridor	150.0	18.7	0.0	18.7	131.3
	600.0	53.4	3.1	56.5	543.5
<u>Town Centre Development Programme - Site G</u>					
Earmarked Reserve - Site G specialist advice	233.0	179.7	29.0	208.7	24.3
<u>Beckenham Market Infrastructure</u>					
S106 funding for market infrastructure	48	48	0	48	0
<u>Bromley Town Centre High Street redevelopment programme</u>					
Investment Fund - Initial feasibility cost of development programme	118.0	33.2	0.0	33.2	84.8
Investment Fund - Detailed design cost & survey work	287.0	0.0	16.5	16.5	270.5
	405.0	33.2	16.5	49.7	355.3
Total Revenue	1,286.0	314.3	48.6	362.9	923.1
Total Funding - Capital and Revenue	13,154.0	539.3	293.1	832.4	12,321.6

5.3 Members should note that the New Homes Bonus top-slice funding has to be spent by the end of March 2017 and High Street Funding of £125k, supported by the GLA needs to be spent by 30th June 2016.

5.4 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.

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