

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

Date: 5th July 2016

Decision Type: Non-Urgent Executive Non-Key

Title: TOWN CENTRES DEVELOPMENT PROGRAMME UPDATE

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Chief Officer: Nigel Davies, Executive Director of Environment & Community Services

Ward: All Wards

1. Reason for report

- 1.1 To update Members on progress in delivering the Town Centres Development and Growth Programme.
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2. RECOMMENDATION(S)

- 2.1 That Members note the progress on the delivery of the Town Centres Development and Growth Programme.
- 2.2 That the Portfolio Holder agrees that Section 106 funds of £81,512 related to the former Orpington Police Station site development and £24,500 related to the Premier Inn Hotel development be spent towards the implementation costs of physical improvements to the Walnuts Shopping Centre area as part of the Orpington capital scheme.

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 Bromley Town Centre was designated a Housing Zone on 17th March 2016. 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 are ongoing with the GLA prior to further commitments being made. On 26th April 2016 Relta Limited submitted an application for a Judicial Review of the GLA's decision to designate Bromley Town Centre as a Housing Zone. Permission was refused by the High Court on 7th June 2016 on the basis that the grounds of appeal were not arguable. Relta Limited have now submitted an application for an oral hearing before a judge which is due to be heard before the High Court Queen Bench Division in 27th July 2016.

Site G: West of the High Street

- 3.3 The Executive agreed on 26th November 2014 to adopt a revised development approach for Bromley Town Centre. This was based on exploring a first phase residential led redevelopment on Opportunity Site G, as market testing had shown that a retail led scheme was not viable. In support of this work a massing study and viability assessment was undertaken. The results of the initial massing study illustrated how a scheme could be brought forward on the site to achieve a potentially acceptable mix of uses and servicing. The results of this work were considered by the Executive on 24th March 2015 who agreed
- (1) Subject to positive feedback from the soft market testing and greater certainty from the Council's advisors that suitably qualified and resourced developers will bid, it is agreed that the marketing of Opportunity Site G, West of Bromley High Street (Initial Phase) should proceed and that the most appropriate method of marketing should be determined by the Director of Regeneration & Transformation in consultation with the Director of Corporate Services, the Leader of the Council, the Resources Portfolio Holder and the Renewal and Recreation Portfolio Holder.
- 3.4 The Executive agreed on 23rd March 2016 to the use of the Greater London Authority's Development Panel as a way of accelerating the delivery of the next phase of development on Opportunity Site G. 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.
- 3.5 To date the officers have completed the Expression of Interest stage of the procurement process and officers are currently evaluating the returns from the Shifting Brief stage.

Procurement Stage	Timescale
Expressions of Interest submissions	13 May 16
Sifting Brief submissions	17 June 16
Invitation to Tender submissions	14 October 16
Award	November 2016

It is proposed that further update reports will be brought back to both the R&R PDS Committee and Executive before November 2016.

Site A: Bromley North Station

- 3.6 The Draft Local Plan will include a revised policy for the former Opportunity Site A which will be published for consultation in autumn of 2016. To support this review, the Council has undertaken a series of massing studies and viability assessments. These have indicated that a mixed use scheme containing 250 residential units would not deliver a policy compliant scheme and would not be viable. On 15th June 2016, the Council presented to representatives of the Babbicombe Residents Association, Bromley Civic Society and other stakeholders an update on the work the Council has undertaken to date on appropriate massing and viability options being considered for the site. The Council has also engaged with the other site owners, Network Rail and developers Prime Place to explore their input into appropriate massing and viability options. This work is still ongoing and is currently being refined and will inform the revised policy for the site.

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

- 3.7 The site has been marketed in accordance with the further design guidance approved by the Executive on 9 February 2016. Tender returns are due back on 20th July 2016.

Bromley Central Area High Street Improvements

- 3.8 Further to the Executive approval of the Studio Egret West (SEW) Stage C Concept Design report, Stage D Detailed design work has commenced. It is estimated that the detailed design to contract phase will be completed by the end of September 2016.
- 3.9 The detailed design package of works for the High Street between the library and Market Square has been completed and includes a layout for the relocated market and eight semi-permanent bespoke kiosks for the sale of hot food or food produce. Detailed designs for these units are being undertaken. The design team Studio Egret West (SEW) are completing design for the High Street between the library and Elmfield Road. As well as hard and soft landscaping this will include commercial units located on the High Street. The economic viability and optimum design of these commercial units is being assessed.

Beckenham Town Centre Improvements

- 3.10 Detailed construction design drawings have been completed apart from a few design features that have arisen as part of the construction design review process. Sample materials have been laid out in a second location in Beckenham High Street in response to consultation with the Beckenham Town Centre Working Group. The preferred choice of materials will be presented to the next meeting with the Working Party group on the 30th June 2016.

- 3.11 The revised business case submitted to Transport for London (TfL) in March 2016 to justify the additional project funding was anticipated to be decided in April 2016. However no decision has been made by TfL. Since April TfL have made a series of requests for further information to meet their internal procedures. The decision from TfL on the revised business case is due by the end of June or early July. Subject to this sign off by TfL it is anticipated that work on the scheme will commence in early autumn 2016.
- 3.12 Network Rail has confirmed that the Hendy Report considering rail infrastructure improvements has not yet been published, but early indications are that budget to progress Beckenham Junction station will be post 2019 at the earliest. The Council will continue dialogue with Network Rail about proposed improvements once the report findings are published.

New Homes Bonus and High Streets Fund Updates

Orpington

- 3.13 The final design review has been held with the design team East Architects for the Orpington Public Realm Scheme. The scheme has been amended to reflect feedback from stakeholders including: a new market layout, new tree planting and a repositioned seating area with atmospheric lighting to the trees. The signage for the Orpington Library and the Mural to the Leisure centre façade are both being developed with a view to being implemented in July 2016. Officers are in discussions with the Council's term contractor FM Conway regarding finalising the implementation plan and programme for the ground works, which are expected to commence in autumn 2016.
- 3.14 In order to supplement the New Homes Bonus project in Orpington, approval is sought for the release of the £81,512 of Section 106 funds related to the former Orpington Police Station site development and £24,500 of Section 106 funds related to the Premier Inn Hotel development towards the implementation costs of physical improvements to the Walnuts Shopping Centre area. The S.106 agreements specifically stipulated that the allocated funding be spent on public realm improvements in the Walnuts Shopping Centre area. The total sum of £106,512 will be required to enhance the quality of the delivered scheme which is predominantly funded by the New Homes Bonus Topslice and the GLA's High Street Fund.

3.15 Details of the Section 106s and their proposed use are provided below:

Planning Reference	Development	S106 Agreement Clause	Amount and how the money will be allocated	Justification
350	Orpington Police Station The Walnuts Orpington	Public realm contribution of £326,050 to be paid in 4 instalments of £81,512.50 for specified public realm works. The Council will repay to the Owner on receipt of evidence of payment and upon receipt of a written request any part of the Contributions that have not been expended or committed towards the relevant Contribution purpose within 8 (eight) years of receipt. (see s106 for full details)	£81,512 towards materials and construction cost of implementing the Walnuts Shopping Area Physical Improvement Scheme	This S.106 will enable the Council to deliver an enhanced scheme of improvements which mitigate the impact of the development and benefit the future residents of the development through uplift in the quality of the physical environment.
351	87 The Walnuts Orpington	The Public realm contribution of £24,500 towards the cost of resurfacing of external areas at The Walnuts Shopping Centre, together with improvements to lighting, canopy and wayfinding signage at The Walnuts.	£24,500 towards materials and construction cost of implementing the Walnuts Shopping Area Physical Improvement Scheme	This S.106 will enable the Council to deliver an enhanced scheme of improvements which mitigate the impact of the development and benefit the future clientele of the development through uplift in the quality of the physical environment.

Penge Town Centre Improvements

3.16 Following the production of the concept design report by Kinnear Architects (KLA) for physical improvements to Empire and Arpley Squares on the High Street, the Council’s term contractors FM Conway have been commissioned to produce detailed designs for the scheme. KLA would continue to provide design oversight and lead on the detailing of the bespoke elements of design and special features.

3.17 In addition to £150K already allocated in the Council’s Local Implementation Programme, the Project team have successfully managed to secure additional funding of £300K from Transport for London towards bus route and junction improvements for Penge High Street. This additional funding will be used to enhance the original scheme by implementing

pavement and kerb improvements to the main stretch of the High Street which will link in with the New Homes Bonus funded schemes. The Council will also be undertaking a decluttering exercise as part of this process which will include a rationalising of signage, street furniture and the removal of telephone boxes

- 3.18 It is proposed that the New Homes Bonus and Highways projects be implemented in a single construction programme with a phased delivery commencing in October 2016. There will be a further update once the detailed designs and implementation programme are finalised.
- 3.19 As proposed under the New Homes Bonus programme these physical improvements will be supported with the implementation of a business support package and shop front improvement scheme. The shop front scheme will follow on from work already undertaken by consultants Designed by Good People during the Outer London Fund Round One project “What if Penge”, which identified opportunities for improvements to shop fronts and building facades on the High Street. A strategic brief for the procurement, management and delivery of the scheme is currently being developed with and anticipated rollout in Autumn 2016.

Growth Projects Summary

Cray Corridor

- 3.20 In the Cray Corridor the focus of the Growth Project has been on engaging and influencing strategic land owners on their redevelopment proposals. This has focused on the following strategic development sites: The Klingers building; Land rear of Edgington Way; and the Allied Bakery site. Work is continuing with the owners of these sites to bring forward development and crystallise any investment opportunity that may arise for the Council. This by its nature is a lengthy process and combined with the lack of development sites coming to the market has resulted in no clear cut investment proposal coming forward to date. Outside of a direct land purchase it is considered the most realistic opportunity for the Council to facilitate growth is via a joint venture. Executive approval was granted on 18th May 2016 to undertake feasibility into establishing an arm’s length development company with an existing commercial developer to jointly develop employment sites in the Borough.
- 3.21 The Executive also approved funding to undertake a feasibility study into the potential of establishing an enterprise centre in the Central Library Tower. This would complement the emerging network of enterprise centres established in Crystal Palace and Orpington and planned for Biggin Hill.

Biggin Hill

- 3.22 Architects and Masterplanners Barron and Smith have been commissioned to carry out a development option assessment to explore development options for the provision of an enterprise centre and training facility on the West Camp site. The reuse of the Listed Barrack Buildings could provide over 4,000 sqm of new net employment floorspace and a new 5,000 sqm educational facility.
- 3.23 The design options will appraise potential scheme options to retain, reuse and extend the existing Listed Buildings and provide cost estimates. The development options 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 and link up with their existing aviation skills offer at their Greenwich College campus. The

development options will also appraise the development potential of the rest of the West Camp site, with a view to identifying future growth potential. The estimated programme for delivery of the Masterplan and feasibility report is due to be completed by mid July 2016. At this stage the Council will be in possession of a development appraisal for the whole of the West Camp site which will allow Members to make an informed decision of the delivery of the enterprise centre.

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 2015/16. 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: -

	Budget	Spend	Com'tmts	Total	Balance
	£'000	£'000	£'000	£'000	£'000
Capital					
<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	657.5	35.8	693.3	2,601.7
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 from TfL	250.0	0.0	0.0	0.0	250.0
	4,697.0	657.5	35.8	693.3	4,003.7
<u>New Homes Bonus and High Street Funded Projects</u>					
Penge Town Centre Improvements	746.0	45.2	0.0	45.2	700.8
Orpington Town Centre	525.0	56.2	24.2	80.4	444.6
	1,271.0	101.4	24.2	125.6	1,145.4
Total Capital	11,868.0	758.9	60.0	818.9	11,049.1
Revenue					
<u>New Homes Bonus and High Street Funded Projects</u>					
Penge Town Centre Improvements	200.0	3.1	0.0	3.1	196.9
Orpington Town Centre	100.0	37.2	0.0	37.2	62.8
Biggin Hill Aviation Technology & Enterprise Centre	150.0	27.9	0.0	27.9	122.1
Cray Business Corridor	150.0	27.9	0.0	27.9	122.1
	600.0	96.1	0.0	96.1	503.9
<u>Town Centre Development Programme - Site G</u>					
Earmarked Reserve - Site G specialist advice	233.0	193.4	15.3	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	9.0	11.5	20.5	266.5
	405.0	42.2	11.5	53.7	351.3
Total Revenue	1,286.0	379.7	26.8	406.5	879.5
Total Funding - Capital and Revenue	13,154.0	1,138.6	86.8	1,225.4	11,928.6

- 5.2 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.
- 5.3 This report is requesting approval to spend £81,512 of Section 106 funds related to the former Orpington Police Station site development and £24,500 of Section 106 funds related to the Premier Inn Hotel development towards the implementation costs of physical improvements to the Walnuts Shopping Centre area. The £106,012 will be added to the Orpington Town Centre scheme within the capital programme, increasing the capital estimate to £631k.

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