

Report No.
DRR17/016

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: FOR CIRCULATION MARCH 2017

Decision Type: Non-Urgent Executive Non-Key

Title: CRYSTAL PALACE PARK: REGENERATION PLAN UPDATE

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Chief Officer: Director of Regeneration

Ward: Crystal Palace;

1. Reason for report

To provide a progress update in advance of a further decision making report to the Executive and Full Council in June.

2. **RECOMMENDATION(S)**

This report is being circulated for information only, and is not an agenda item.

This is an update report only and no decisions are required.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Regeneration Plan will have a positive impact on vulnerable adults and children. The park is an unrestricted public space and leisure facility, which is easily and freely accessible to all.
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Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Quality Environment
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £495k
 5. Source of funding: Capital Receipts
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Personnel

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

Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Not Applicable: This is a progress update only.
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Procurement

1. Summary of Procurement Implications: This is a progress update only.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): In 2006 the park's visitor numbers were estimated at 1.68 million.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors' comments: Cllr Wilkins says "Excellent report - the future of the park under the management of the shadow and then full trust is looking very positive. Recent works have also started to improve the park. Thanks are due to the officers, shadow trust and others for their contributions to this. We hope to see things progress as outlined in the report."

3. COMMENTARY

- 3.1. The purpose of the Regeneration Plan is to deliver the strategy for the regeneration of Crystal Palace Park set out in the March 2015 report to the Executive DRR15/020. This strategy builds on the improvement works currently being delivered in the park.
- 3.2. The agreed approach was to develop a sustainable regeneration plan for the park made up of three strands:
- a capital scheme to regenerate the park in line with the vision of the Masterplan,
 - a new form of governance, and
 - a new park specific business model.
- The outcome being improved parkland which enables a new self-sustaining business model, which will be adopted by a new governing body who will take the park out of local authority control.
- 3.3. The rationale for enabling a new governance structure for the park, outside of Council control, is that Crystal Palace Park is a large regional park, on the border of five London boroughs, which requires a different management approach to the Council's wider green space portfolio. The park is expected to benefit and prosper by having its own dedicated management structure and governing approach.
- 3.4. The development phase of the Regeneration Plan was originally due to be completed in September 2016, however last year this phase of work was put on hold to allow the Greater London Authority (GLA) time to come to a decision on the future of the National Sports Centre (NSC). At that time the London mayoral election had recently taken place and the Mayor of London was determining his priorities. Initially the GLA indicated that a decision on the future of the NSC would be made in December 2016, however to date the GLA has not come to a conclusion.
- 3.5. Therefore, to avoid further delay, officers are progressing the development phase of the Regeneration Plan to completion now, regardless of the decision around the NSC. This decision has been taken for two reasons: firstly the GLA support the Regeneration Plan and therefore they will ensure that the future of the NSC complements the Regeneration Plan strategy; secondly the regeneration of the park is reliant on the release of capital funding from the housing sites land and progress should be made as part of the process to terminate the existing leases attached to this land.

Capital scheme

- 3.6. In January 2017 a preferred capital scheme (appendix A) for the regeneration of the park was identified. This preferred option identifies agreed land uses, providing a framework for design development. The preferred option was identified following an extensive options appraisal process and responds to both the findings of community consultation (appendix B) undertaken in 2016, and the views of primary stakeholders.
- 3.7. The capital scheme development has been led by AECOM who were contracted by the Council in early 2016. In May 2016 AECOM held workshops attended by key stakeholders, including the GLA and Historic England. At these workshops the vision for the park was determined and priorities and criteria for options agreed.

Regeneration Plan vision:

For the park to be a place of fun and recreation in the spirit of Paxton's vision celebrating excellence in landscape and horticulture, and providing facilities and events in keeping with a park of international significance.

Regeneration Plan priorities:

- Repair and improve infrastructure throughout the park.
- Conserve and interpret historic assets in the park.
- Reconnect and open up the central walk/ Paxton Axis through the park.
- Restore the architectural presence and grandeur of the terraces.

Regeneration Plan criteria:

- Work within the likely capital budget available.
- Deliver the vision and regeneration aims.
- Meet the regeneration priorities.
- Respond to community engagement.
- Respond to business plan findings including opportunities for income generation.
- Work where possible within the established Masterplan planning principles.

- 3.8. In May and August 2016 community consultation events were held in the park. These events provided an opportunity for local people and park users to talk to members of the project team and find out more about the plans to regenerate the park, and to articulate their views on the priorities for park regeneration. The results of these events informed the options appraisal and the identification of the preferred option.
- 3.9. In June and July transport surveys were undertaken on the park's busiest annual event days to better understand future car and coach parking requirements and existing access to the site via public transport. The results of this survey informed the options appraisal.
- 3.10. In addition, throughout 2016 funding and income research was undertaken. This included the valuation of the housing sites identified in the Masterplan, a review of existing and potential lease income within the park, and an appraisal of the events market. The results of this work also informed the options appraisal.
- 3.11. A total of six options for the approach to the capital regeneration of the park were identified. These were reviewed by the Shadow Board, Historic England, and the GLA, and the preferred capital scheme was identified in January 2017 as per point 3.6.
- 3.12. AECOM is now developing the implementation plan for this preferred option. The implementation plan will set out a programme and action plan for the delivery of the Regeneration Plan. This work will be complete at the end of May.
- 3.13. A cost plan for the delivery phase is being developed. Approximately £25m in capital receipts is anticipated from the sale of land for the housing enabling development identified in the Masterplan. In addition a grant application will be submitted to the Heritage Lottery Fund (HLF) for £5m. Therefore there will potentially be £30m available to fund the regeneration of the park.
- 3.14. The assumption at this stage is that from the £30m, the sum of £24.1m will be available for capital works, and the cost plan is being developed on this basis. As detailed in the following table, £5.9m will be required to fund other costs, including the endowment.

<u>Potential Income</u>	£m
Capital Receipt from sale of land for housing enabling development	25.0
HLF Grant	5.0
Total Potential Income	<u>30.0</u>
<u>Anticipated Expenditure</u>	
Regeneration Plan capital works	24.1
Endowment	4.6
HLF activity plan	1.0
Additional fixed term staffing costs	0.2
Planning application fees	0.1
Total Expenditure	<u>30.0</u>

- 3.15. The implementation plan and cost plan will be finalised in advance of the June meeting of the Executive.

New form of governance

- 3.16. In September 2016 the first meeting of the Shadow Board was held, following an independent recruitment process undertaken by Community Links in July 2016. This board will shadow the Council's development of the Regeneration Plan for Crystal Palace Park until the board formalises itself and takes over the management of the park from the council.
- 3.17. The board's management of the park will be subject to the development of a sustainable business model which will be reliant on the park's regeneration and the development of new and increased income streams. To date the board has acted as a key stakeholder in the review of the developing Regeneration Plan, and has influenced the direction the park's regeneration will take. The board will continue to work with the council to shape the park's regeneration and be a key decision maker.
- 3.18. The board is made up of nine local people with exceptional skills, experience and knowledge in a range of fields from planning, to law. All members were recruited through a competitive process with a focus on setting up a board with all the skills required to successfully manage the park in the future.
- 3.19. The implementation plan being developed by AECOM will start to identify likely timescales for a future phased handover of management responsibilities from the Council. This is likely to be after significant capital works have been delivered as the business model is reliant on these works for income generation.

Park business model

- 3.20. In January 2017 a draft business model for the future regenerated park was produced by Fourth Street consultancy. This business model has been developed in response to extensive market testing and the developing capital scheme. The business model identifies a potential approach for the future management of the park and likely income and expenditure costs.

- 3.21. The business modelling work has identified that a self-sustaining business plan for the park will be possible subject to a £4.6m endowment being established, as shown in point 3.14.
- 3.22. The business model is currently being reviewed by the shadow board and Council officers; this will be included as an appendix to the June Executive report.

Next steps

- 3.23. A pre-application meeting has been scheduled with planning to review the preferred capital scheme, in advance of the June meeting of the Executive.
- 3.24. The implementation plan will be completed in May 2017 setting out a programme of actions for the delivery of the capital scheme. This will be accompanied by a cost plan which will identify the costs of implementation, including upfront costs that would be incurred prior to capital receipts being realised.
- 3.25. On the 19th and 20th May 2017 an event is being held in Crystal Palace Park to update the local community and park users on progress. At this event the project team will share the preferred capital scheme, and the outcomes of work undertaken to date, including previous public consultation, which has informed the development of the Regeneration Plan's three strands of work.
- 3.26. On Tuesday 6th June 2017 a presentation evening will be held open to all Councillors to attend. The presentation will explain the Regeneration Plan in further detail and provide an opportunity for questions and answers with the consultants.
- 3.27. The project team will bring a further report to the June meeting of the Executive, and it is expected that this report will recommend approval to proceed to the delivery of the park's Regeneration Plan. It is expected the report will then go to Full Council for consideration due to the anticipated value of works.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 The Regeneration Plan will have a positive impact on vulnerable adults and children. The park is an unrestricted public space and leisure facility, which is easily accessible by public transport and car.
- 4.2 The park is designed for public enjoyment and education, and includes the popular dinosaurs which are a unique London attraction. The Regeneration Plan will improve access and public enjoyment and will increase the amount of high quality freely accessible public land within the park. The park provides a green space for many local families who do not have access to gardens of their own.

5. POLICY IMPLICATIONS

- 5.1 The Park is shown with various designations and polices in the Development Plan (Bromley Unitary Development Plan and the London Plan). There is an outline planning permission in place for the Masterplan, which has established the planning principles.
- 5.2 Bromley's Local Plan and housing targets include the units within the Masterplan's housing sites which have outline planning permission in place.
- 5.3 The Regeneration Plan is likely to require a separate planning consent. Discussions are ongoing as to whether one planning application for the whole scheme, or several for each phase of development, are most appropriate.

6. FINANCIAL IMPLICATIONS

- 6.1 On 24 March 2015 Executive agreed an application for £495k of capital funding to develop an alternative management option for the Crystal Palace Park. To date a sum of £378k has been spent/committed.
- 6.2 The sale of the land for the housing enabling development should generate a capital receipt of £25m. This added to the potential HLF grant of £5m will mean that there is potential funding of £30m to meet the costs of the regeneration works and an endowment sum being established.

7. PERSONNEL IMPLICATIONS

- 7.1 The development of the Regeneration Plan is Council resource heavy and has required two additional staff on fixed term contracts to be employed to support the project work as outlined in the March 2015 report to the Executive DRR15/020. Additional budget will be required for staffing costs if the Regeneration Plan is taken forward to delivery stage.

8. LEGAL IMPLICATIONS

- 8.1 The Regeneration Plan requires enabling development to fund the capital works and provide an endowment to the future park governing body. The sites for the enabling works are identified within the Masterplan and are located on sites currently leased to external organisations.
- 8.2 These leases will need to be terminated in advance of the works being undertaken and the project team needs to allow the appropriate length of time for termination which will be unique to each lease.
- 8.3 The first notice to the Caravan Club has already been served as this lease requires two years notice to be served in the first instance, and the lease can only be broken every thirty years.

9. PROCUREMENT IMPLICATIONS

- 9.1 The project team followed the appropriate contract procedure rules in relation to the appointment of AECOM, as outlined in report DRR16/009. The tender process undertaken determined prices for both the current stage of work and the delivery stage, therefore it is expected that AECOM will be contracted to deliver the Regeneration Plan subject to the outcome of the June meetings of the Executive and Full Council.
- 9.2 AECOM's original tender set out their fees for the delivery stage on a percentage basis and therefore their fee for the delivery stage would be calculated using the anticipated value of the capital scheme. The cost of these fees will be included within the scheme's capital budget.

Non-Applicable Sections:	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	Report DRR16/036 – Crystal Palace Park Update Report DRR16/009 – Crystal Palace Park – Regeneration Plan Report DRR15/020 – Crystal Palace Park