

Decision Maker: EXECUTIVE
17 October 2018

Date: For Pre-Decision Scrutiny by the Renewal, Recreation and Housing Policy Development and Scrutiny Committee on 18 September 2018

Decision Type: Non-Urgent Executive Key

Title: BROMLEY TOWN CENTRE: MIRRORED CANOPIES AND SHOPS

Contact Officer: Kevin Munnelly, Head of Renewal; Tel: 020 8313 4582
kevin.munnelly@bromley.gov.uk

Chief Officer: Executive Director of Environment & Community Services

Ward: Bromley Town;

1. **Reason for report .**

1.1 The Executive on 22 March 2017 approved the detailed designs and costings for the ground plain works of the next phase of the Bromley Town Centre improvements, and these works are currently being implemented. The Executive on 7 February 2018 approved the final budget for the revised market kiosks layout and pop up stalls to be located in Market Square. Officers were requested to bring back for Executive approval the detailed designs and costing for the remaining elements of the overall improvement scheme: the two commercial units/shops; and mirrored canopies, which forms the basis of this report.

2. **RECOMMENDATIONS:-**

- 2.1 That RR&H PDS Members note the report and make their comments available to the Executive.
- That Members of the Executive:
- 2.2 Approve the detailed design and implementation costs for the two Commercial units/shops and mirrored canopies.
- 2.3 Approve the addition of £1.615m to the Bromley High Street Improvement capital scheme funded from the Growth Fund, thereby increasing the overall budget for the scheme to £5.075m.
- 2.4 Delegate to the Director of Regeneration and the Portfolio Holder for Renewal & Recreation approval of any minor amendments to the design of the commercial units /shops and mirrored canopies.
- 2.5 Seek authority to submit a planning application/s for the commercial units/shops and the mirrored canopies.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The scheme design will take into account measures for the mobility and visually impaired.
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Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Quality Environment Vibrant, Thriving Town Centres Regeneration
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Financial

1. Cost of proposal: Increase in capital costs of £1.615m
 2. Ongoing costs: Potential net additional income of between £32k and £42k depending on the level of voids
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £3.46m
 5. Source of funding: Growth Fund
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Personnel

1. Number of staff (current and additional): 3 FTE
 2. If from existing staff resources, number of staff hours:
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Legal

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

1. Summary of Procurement Implications: It is proposed that the all the civil engineering and public realm improvement works, including all lighting will be completed by the Council's Highway Engineering Term Contract. It is proposed that Council's TFM term contractor AMEY will deliver the procurement of the shops and Mirrored canopies, which will be competitively tendered in line with the Council's procurement rules and financial standing orders.
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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

Summary of Ward Councillor's comments: Ward Councillors were invited to take part in stakeholder consultations during the development of the scheme. Ward Councillors have been consulted on the design of the commercial units and canopies.

3. COMMENTARY

Background

- 3.1 The Executive on the 22nd March 2017 and Full Council on 10th April 2017 approved the detailed design, funding and programme for the ground plane works extending from Market Square to the Elmfield Road Junction, for the next phase of the Bromley town centre improvements. The Executive on 7 February 2018 also approved the budget for the revised market kiosks layout and pop up stalls to be located in Market Square. Officers were requested to bring back for Executive approval of the detailed designs and costing for the outstanding elements of the overall design, the commercial units/shops and mirrored canopies, which forms the basis of this report.
- 3.2 Phase 1 of the scheme, from Market Square to Marks and Spencer, is substantially completed and new wooden benches will be installed by the end of September 2018. Phase 2 of the improvement works is due to commence the week commencing 10th September 2018, with the removal of the stone planters and trees. As a consequence of this the remaining elements of the market will be relocated from this date into the northern section of the High Street. It is proposed that the installation of the new planters and granites setts will be substantially completed by 30th November 2018.

Commercial Units/Shops and Mirrored Canopy Design

- 3.3 One of the principal aims of the BTC Improvement scheme is to tackle the disjointed nature of the current High Street layout by improving the quality of the high street experience and creating distinctive spaces. The overall design focused on:
- 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.
- 3.4 A key feature of this design was the reordering of spaces in the High Street to create a new public garden square in the southern pedestrianised area, which could contain commercial kiosks/shops and mirrored canopies which would act as anchors to the new garden square. The design and procurement process for delivering the shops and the mirrored canopies is being managed on behalf of the Council by Total Facilities Management Contractor AMEY, who have appointed ECD Architects to produce the detailed design and costings for the commercial units/shops and the mirrored canopies. Detailed drawings for the mirrored canopies and commercial units/shops including layouts and elevations are attached as [Appendix 1](#).

Mirrored Canopies

- 3.5 The introduction of the mirrored canopies was seen as one of the more ambitious and transformational elements of the concept design. The canopies as well as providing a degree of shelter would comprise reflective mirrored roofs inspired by the petals of the broom flower, which is a reoccurring design feature throughout the whole of the scheme. The highly polished steel mirrored finish to the underside of the canopy, at a height of up to 6m, was one of key design features, creating a unique and inspiring space which anchors both end of the garden square. The concept design envisaged the canopies being delivered as series of petals. However, following feedback from the technical assessments and a review of costings the

design has been rationalised. It is now proposed that the scheme would consist of two stainless steel mirrored canopies measuring 15.7m by 10m and 11.5m by 9m. The overall form of the bloom petal motif has been retained, as has the articulation in roof heights envisaged in the concept design and the drainage is now contained within the supporting columns. This articulation will allow the mirrored underside of both canopies to be viewed by pedestrian as the walk up and down the sloping High Street creating additional visual interest. The location of the canopies has also been rationalised so they have a more sympathetic relationship with the proposed Commercial Units/ Shops and planters. The structures will be open on all sides up to 6.5m high to maintain the visual permeability and views along the High Street. The canopies will provide flexible sheltered space for formal events and informal activities.

- 3.6 It was reported to the R&R PDS Committee on 22 November 2015 that the estimated total cost of developing and fully implementing the concept design would be £5m. To date, including the costs of the Market Kiosks which were not costed in this early estimate, the Council has allocated £3.46m for Phase 2 of the Bromley town centre improvements works. AMEY working with ECD Architects have produced a Stage 2 cost plan to accompany the detail design drawings for both the mirrored canopies and commercial units/shops. The cost plan estimate for the delivery of the mirrored canopies is £1.2m and a summary of the stage 2 costing is set out in Table 1 below.

Table 1 Stage 2 Canopy Costings

| Estimated Costs | £ |
|------------------------|-------------------------|
| Construction | 1,022,000 |
| Consultant Fees | 58,573 |
| Survey Fees | 17,983 |
| Building Control Fees | 2,574 |
| Planning Fees | 1,544 |
| Contingency | 102,200 |
| Total | <u>1,204,874</u> |

- 3.7 The procurement of the mirrored canopies will be via competitive tender and it is anticipated that further costs reduction will be driven via this process. The estimate above represents the worse case provision. The annual maintenance costs of the canopies have been estimated at £15- £20k per annum. Whilst sited in the Public Highway they will not form part of the current maintenance contract. It is therefore proposed that the ongoing maintenance costs for the planter is recovered as a first call from the rental income generated from the commercial units/shops. The actual annual maintenance costs will be confirmed during the tendering of the capital works contract and will be reported back to Members within the Contract Award report.

Commercial Units/Shops

- 3.8 The designs of the Commercial units/shops have been based on a modular design and this has been tested with a manufacturer to ensure that it meets the necessary building specifications and demands of potential operators. The two units will be the same size 9m by 5m and provision has been made for toilet facilities and utility connections. To maximise the opportunity to utilise open space, particularly the adjacent space under the mirrored canopies, the units will have folding doors onto these elevations. Also to minimise any potential visual impact on views into High Street shop frontages the majority of the elevational finishes will be in glass. The resultant design consists of a contemporary structure clad in either a treated cedar or stainless steel finish which can be adapted to meet the requirements for general retail and the sale of hot and cold food.

3.9 The commercial units/shops have been costed on the basis of basic fit out that enables the occupiers the flexibility of customising the unit for their own commercial needs. The cost plan estimate for the delivery of the two commercial units is £401k (cedar finish) or £415 (Stainless Steel finish) and a summary of the stage 2 costing is set out in Table 2 below.

Table 2 Stage 2 Commercial Unit/Shop costings

| Estimated Costs | Cedar | Stainless |
|------------------------|----------------|------------------|
| | Finish | Steel |
| | £ | £ |
| Construction | 332,000 | 345000 |
| Consultants Fees | 28,926 | 28,926 |
| Survey Fees | 5,652 | 5,652 |
| Building Control Fees | 809 | 809 |
| Planning Fees | 485 | 485 |
| Contingency | 33,200 | 34500 |
| Total | 401,072 | 415,372 |

3.10 The Council's external property consultants Cushman and Wakefield (C&W) have been approached to assess the likely demand for the commercial units/shops and the income they are likely to generate. C&W report that this type of offering would be new to the local market but they are confident there would be interest from local independents and new businesses. In terms of income generated they report that between £50-£60 per sq.ft could be achieved and it could be higher given their prominent position but this would need to be market tested. Based on the current size of unit this could generate an income between £48,400 - £58,000 pa. This would represent a maximum commercial yield of 14%, before any allowance is made for voids or any potential rental discounts. This income offers the Council the opportunity to reimburse the Growth Fund or potentially allocate the income to enhanced maintenance cleaning of the High Street including the mirrored canopies. The ongoing maintenance of the commercial units/shops will be the responsibility of the tenants and set out in any leasing agreement. The cost of any maintenance in any void period will be covered from income generated previously.

3.11 It is proposed that a tender package for the mirrored canopy and the commercial units will be produced using a design and build procurement route/form of contract – this will be tendered to the open market in line with CPR's and public contract regulations. The current advised procurement route anticipates appointing a main contractor who will undertake the procurement and management of the installation of both elements of the scheme and manage any groundworks and connections with the manufacturer of the units and the mirrored canopies subcontracted by them to the specialist suppliers.

Indicative implementation programme

3.12 AMEY have produced a detailed implementation programme for the delivery of the 2 elements. The critical date is the approval of the Executive and Full Council to allocate funding and grant approval to submit the necessary planning application. The selection of the main contractor stage of the procurement process will offer the Council the opportunity to further test the budget estimates and potentially drive out further costs savings which would be reported back to the Executive. Subject to Executive approval it is proposed to run the procurement of the main contractor in parallel with the submission of the planning application to ensure that scheme can be fully implemented by October 2019.

| Phase | Timescale |
|-----------------------------|------------------|
| Planning Permission | January 2019 |
| Selected Main Contractor | February 2019 |
| Manufacturing | June 2019 |
| Construction & Installation | October 2019 |

4. POLICY IMPLICATIONS

- 4.1 Proposals are in support of developing and maintaining the vibrancy of Bromley Town Centre, and as such contributes to the Building a Better Bromley key priority of Vibrant, Thriving Town Centres. The scheme will improve the economic sustainability of Bromley High Street encouraging footfall both during the day and evenings, and on quieter days of the week due to the 7 day per week operation of the kiosks.

5. FINANCIAL IMPLICATIONS

- 5.1 On 2 December 2015 Executive agreed to allocate £287k from the Investment Fund to meet the cost of the detailed design work and additional survey work for the commercial kiosks and mirrored canopies. To date £238k has been spent/committed, leaving a balance of £46k.
- 5.2 The Executive on February 7th 2018 revised the allocation in the Capital Programme for Phase 2 of the Bromley town centre improvements works to £3.46m. This included £464k for the cost of the Market Kiosks.
- 5.3 The detailed designs and scheme costs for the Mirrored Canopies and Commercial Units/Shops have now been completed up to Stage 2 and the total costs are estimated at £1.615m. Approval is sought to allocate a further £1.615m to the capital scheme, funded from the Growth Fund, which currently has an uncommitted balance of £10.692m.
- 5.4 Overall the capital scheme will increase by £1.615m and the revised total cost for the High Street Improvement scheme will be £5.075m.
- 5.5 If fully let, the 2 commercial units/shops could generate an annual income of between £48k - £58k pa. These figures exclude any allowance for voids or any potential rental discounts. The Council would become liable for the Business Rates and utility standing charges whilst the commercial units/shops were not occupied.
- 5.6 As highlighted in paragraph 3.7, there are potential annual maintenance and cleaning costs of up to £15-20k for the canopy and commercial units which will be funded from the additional income generated.
- 5.7 It should be noted that the actual on-going maintenance and cleaning costs will be confirmed during the tendering process for the capital works. This will be reported back to Members in the contract award report.

6. PERSONNEL IMPLICATIONS

- 6.1 None for this report.

7. LEGAL CONSIDERATIONS

7.1 None for this report.

8. PROCUREMENT IMPLICATIONS

8.1 The procurement process will be managed by the Total Facilities Management Term Contractor, AMEY.

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| Non-Applicable Sections: | N/A |
| Background Documents: (Access via Contact Officer) | |