

BROMSGROVE DISTRICT COUNCIL

CABINET

30TH JULY 2008

TOWN CENTRE REDEVELOPMENT – PROGRESS REPORT

Responsible Portfolio Holder	Councillor Del Booth
Responsible Head of Service	Phil Street
Key Decision	

1. SUMMARY

1.1 To provide members with an update on progress with the town centre.

2. RECOMMENDATION

2.1 Members are asked to note the progress with the regeneration of the town centre and the work on the issues and options consultation.

3. BACKGROUND

3.1 The town centre regeneration is making general progress and in the past few weeks a project manager has been appointed.

3.2 Actions have been taken to initiate the redevelopment of the toilets following a detailed involvement process with the Council's Disabled Users Group.

3.3 The Area Action Plan issues and options consultation process has begun in July and this process will continue throughout the summer. This public consultation exercise will inform the Council's preferred option for the future development of the town centre.

3.4 Members should be aware that the Council is currently considering a planning application for a new doctor's surgery on land contained within the boundary of the former Parkside Middle School site. Officers understand that a planning application is being prepared for the new GP surgery.

3.5 In addition to these developments, ongoing discussions are taking place with relevant stakeholders to further develop opportunities within the remaining Parkside School site and active discussions are taking place with the Worcestershire County Council with the view to seeking external funding from Advantage West Midlands to assist in improving the surface of the High Street.

- 3.6 The road management work at the Birmingham Road and Stourbridge Road junction has been initiated and is moving to a position of an agreed solution with colleagues at the Worcestershire County Council Highways Department. It is fair to say that the works proposed for this junction will ease accessibility to the town centre and facilitate the projects proposed within the body of this report.
- 3.7 The redevelopment of the market hall site has been a key issue for members in the redevelopment process. Officers have been unable to further this as far as had been originally anticipated.
- 3.8 Members will appreciate that the current commercial climate has reduced the levels of confidence in the market. It is fair to say that the Council had been approached by a number of third parties expressing interest in the market hall site. Whilst a preferred option to proceed with the opportunities that this may afford to the Council it is fair to say that market confidence is making this a less likely option in the present climate.
- 3.9 Cabinet are aware that the town centre redevelopment is of paramount importance within the community and the need for progress in respect of this project to be continued and visible.
- 3.10 The market hall site will be a key project in the delivery of the overall town centre scheme and as such it needs to be decided both in the context of sound commercialism but also with regard to the needs and requirements of the community and town as a whole.
- 3.11 It is for this reason that officers will continue to work with legal and commercial advisers to scope all available options in respect of the market hall and that this will be informed by the town centre Area Action Plan Issues and Options consultation.
- 3.12 Members will note that another key aspect of the town centre regeneration is the development of a new leisure centre and in this regard work continues to determine the standard of service delivery appropriate in the context of the redevelopment programme.
- 3.13 In addition the Government has introduced changes to the planning system. As a result the Council is preparing a new suite of planning policy documents to help plan for and control future change in the District. The Bromsgrove town centre Area Action Plan (AAP) will form part of this new suite. It will be focussed purely on Bromsgrove town centre and will set out a new vision for this important shopping and service centre.
- 3.14 In setting out our objectives for key town centre issues, such as transport, open spaces, retailing, public services and facilities, employment provision

and housing, the plan will ask questions about the future direction of the town. Ultimately, the AAP will provide a set of principles and guidelines which all new developments within the town centre will have to follow over the next 15-20 years.

- 3.15 The issues and options report will be available on the Council's website and can be found in various public buildings around the district. A summary of the issues and options report has been produced and has been distributed widely. It is planned to also use the farmers market and the street theatres as an opportunity to consult on the AAP. A questionnaire will accompany the report and local residents, key stakeholders and statutory consultees will be asked for their responses to the AAP.
- 3.16 The period of consultation will be for eight weeks and at the end of the consultation period results will be analysed and these will form the basis of the preferred option. It is anticipated that consultation will take place on the preferred option in early 2009. This will then be submitted to the Secretary of State through the Government Office once the Local Development Framework Core Strategy has been approved.
- 3.17 In addition to the AAP other work has been progressing on the regeneration of the town centre.
- 3.18 Three areas for development form critical components for the regeneration of the town centre. The first is the market hall site. Members are advised within the legal implications contained in this report that there are a number of options available to the Council in respect of this site and that the legal framework will vary according to the option deemed to be most appropriate. It is fair to say that detailed legal advice will be necessary in respect of any option to redevelop and this is particularly so in relation to options that would necessitate taking the site to market through the European Union Official Journal (OJEU) route.
- 3.19 The second key development is the road management arrangements surrounding Birmingham Road and Stourbridge Road junction and car parking. The District Council is working with the County Council on the road management and the County Council have commissioned a transport engineering company to produce some initial plans for the redesign of the road junction. However, further work is required and the District Council need to acquire expertise to assist in preparing and undertaking the necessary modelling and preparation of detailed plans and costs to secure progress on this matter.
- 3.20 Furthermore, the issue of car parking and its provision and location needs to be investigated and this needs to be carried out in the light of town centre redevelopment.

4. FINANCIAL IMPLICATIONS

- 4.1 There is current approval for £100k in the capital programme to progress the consultancy required to undertake the assessments as detailed in this report. The funds will be met from this existing budget and reported to members on a quarterly basis as part of the integrated performance and finance report

5. LEGAL IMPLICATIONS

- 5.1 The process of redeveloping the market hall site is complex and involves conformance to both procurement regulations and to European Union legislation. It is essential that there is conformance to all the legislative and regulatory requirement to avoid challenge.
- 5.2 Furthermore, pursuing the development of the site by the Council will necessitate specialist procurement, commercial and legal advice.
- 5.3 If the market hall site is leased or sold to a third party retailer then this is not a “procurement” as such requiring use of OJEU adverts and adherence to the public procurement process. However, in order to avoid giving an unfair advantage to any private operator that might take the site (by way of a potential State aid) it is important to secure that any lease or sale is done at open market value. Open market value can be guaranteed either by securing the sale price via an open competitive tender process, or by obtaining independent expert opinion to the effect that the price agreed reflects open market value taking into account all the practical circumstances of the time.
- 5.4 If on the other hand the Council insists that the market hall site is developed according to its own specified requirements (beyond mere usual planning constraints), then the development becomes more than a simple sale or lease of land and becomes a “procurement”, even though the element of sale or lease of land remains as well. This is because the overall transaction has become the procuring of a public works contracts to build something according to the Council’s requirements. If the transaction becomes such a “procurement”, then it should be achieved by reference to OJEU advert and process to the extent that the value of the works envisaged exceeds the thresholds laid down in the relevant rules. This point has achieved some notoriety in public sector circles of late via a French case ruled upon at the European Court of Justice (*Auroux vs Commune de Roanne*).
- 5.5 The Public Contracts Regulations 2006 require that public works contracts of a value in excess of £3,497,313 be procured via OJEU advert and full adherence to the related rules. However, for public works contracts below

this threshold, primary rules of Community law related to equal treatment and transparency still apply, meaning that the Council should still conduct a form of open competitive process for selection of the relevant contractor. In such cases, it can be good practice to employ the OJEU route even if not strictly obliged to, as this removes any element of doubt as to proper legal compliance.

- 5.6 If an OJEU route is pursued then specialist legal advice would be needed for the various steps of the process, including drafting of notices, timing between different stages (eg. OJEU advert, expressions of interest, invitations to tender and receipt of tender) depending on choice of procedure, and other issues such as rights of tenderers generally etc.
- 5.7. In relation to any land deal by the council the council will have to ensure compliance with section 123 of the local government act.

6. COUNCIL OBJECTIVES

- 6.1 The regeneration of the town centre is a primary objective for the Council.

7. RISK MANAGEMENT

- 7.1 The risks associated with non-conformance to regulations and EU legislation can be considerable and have affects on finance and time it takes to redevelop the market hall site.
- 7.2 The Council does not have the capacity to undertake the redevelopment of the market hall site without engaging specialist technical knowledge and skills. Without augmenting its capacity the redevelopment will face enormous challenges.
- 7.3 Failure to secure effective road management there will be limitations placed on access to the town centre and deter service providers, business and visitors.
- 7.4 Car parking has a significant effect on the economic health and vitality of the town centre without an investigation into car park strategy the regeneration of the town centre may be adversely affected.

8. CUSTOMER IMPLICATIONS

- 8.1 The Council have been informed through a variety of forums and communications that local people believe that regenerating the town centre is their highest priority. The work on the market hall site; the road management system and the car parking arrangements are critical to improving the retail offer and access to the town centre.

9. EQUALITIES AND DIVERSITY IMPLICATIONS

- 9.1 It will be important that the needs of disabled and vulnerable people's are addressed. The arrangements for car parking and accessibility will be a significant factor in securing access and opportunities for disabled and vulnerable people in the town centre.

10. VALUE FOR MONEY IMPLICATIONS

- 10.1 The use of technical expertise sought would be used to ensure that strategies and action plans for the redevelopment of the market hall is carried out following the most efficient and effective means. The road management information will be used when entering into discussions with developers in relation to their contributions to improvements and adaptations. Part of the remit to the car park study will be the location and design of car parks so ensuring maximum efficiency.

11. OTHER IMPLICATIONS

Procurement Issues – The procurement associated with the market hall site will require detailed knowledge of redevelopment and legal issues pertaining to European procurement.
Personnel Implications - None
Governance/Performance Management – Regeneration of the town centre is major project and forms part of the evidence of performance for the Council.
Community Safety including Section 17 of Crime and Disorder Act 1998 - None
Policy – Town Centre is a key policy area for the Council.
Environmental – Appropriate consideration is required of environmental issues when pursuing regeneration matters.

12. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	Yes
Executive Director - Partnerships and Projects	Yes

Executive Director - Services	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	Yes

13. **WARDS AFFECTED**

13.1 All wards will be indirectly affected by a successful redeveloped town centre, but St John's Ward will be most directly affected.

14. **APPENDICES**

No Appendices

15. **BACKGROUND PAPERS**

No Back ground papers

CONTACT OFFICER

Name: Phil Street
E Mail: p.street@bromsgrove.gov.uk
Tel: (01527) 881202