

Gloucester City Council

Meeting:	Cabinet	Date:	21st June 2017
Subject:	Regeneration at Kings Quarter		
Report Of:	Cabinet Member for Regeneration and Economy		
Wards Affected:	Westgate		
Key Decision:	No	Budget/Policy Framework:	No
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Appendices:	None.		

GENERAL RELEASE

1.0 Purpose of Report

To note the progress made for the new Kings Quarter regeneration proposals.

2.0 Recommendations

2.1 Cabinet is asked to **RESOLVE** that it be noted that the progress made with the Kings Quarter regeneration and, in particular,

- (1) The Stanhope Development Agreement for Kings Quarter has now been formally terminated and the transfer with copyright for all the agreed documents completed.
- (2) Our Consultants LDA Design and Jones Lang LaSalle are on target to produce a Business Plan for the Kings Quarter regeneration for consideration by Cabinet at their meeting on 13th September 2017.

3.0 Background

3.1 This report provides a summary of progress since the last report to Cabinet on 11th January 2017.

3.2 Following the acquisition of Aviva's Kings Quarter property interests in December 2014, the City Council are now the freeholders and long leaseholders of the majority of the land required for this major regeneration scheme. On 22nd June 2016 Cabinet agreed to terminate the Development Agreement with Stanhope (Gloucester) Limited subject to settling for services received to date and copyright to documents.

3.3 The termination of the Stanhope Development Agreement has now been concluded with a legally binding agreement that protects the interests of the City Council. All the scheduled documents have been received together with the required copyright.

- 3.4 The Council appointed LDA Design and Jones Lang LaSalle in December 2016 to progress the delivery of the council's number one priority regeneration project known as new Kings Quarter. The appointment focused on the provision of a targeted and dedicated project management resource supported by urban design, planning and commercial advisors. This resource is based within the Council's regeneration team two days a week and works on the project remotely for a further third day.
- 3.5 The agreed project programme is extremely challenging with an expectation that the following milestones will be reached. The Business Plan will be produced in July 2017 with the intention of submitting this to Cabinet on 13th September 2017; subject to approval and recommendations a planning team would be procured with the aim of submitting a comprehensive application by March 2018. This would enable works and demolition to commence in the Autumn of 2018 and construction to commence in the Spring of 2019.
- 3.6 We are currently on target and since January, the project lead with support from the regeneration team has completed a number of key work streams. These include creating a comprehensive database of all relevant existing technical and policy information pertaining to Kings Quarter. Conducting one to one meetings and interviews with key stakeholder groups including county and internal council officers. Meetings have been held with external influencers and stakeholders. Dates have been confirmed to meet GWR, Network Rail and the Gloucestershire Hospitals Trust during early June.
- 3.7 Two areas have been identified as requiring further technical information. The first being a commercial retail assessment to confirm the demographic and profile of existing shoppers within the city and to advise on the future shopping potential. As a result specialists, FSP Retail Limited, have been appointed via our approved procurement route to complete a revised retail assessment for the city for detailed input into the Business Plan. The second area being a need to further stress test the parking strategy for the city. We are working to deliver a report to investigate the next 15 years parking capacity for the city and provide a breakdown of forecast annual supply and demand. Any shortfall will be highlighted based on the timing of possible closure of existing car parks and the delivery of new developments.
- 3.8 In order to assist possible future funding, LDA Design have initiated and progressed drafting of a Homes and Communities Agency Funding Agreement to help provide further capacity and enabling funding as well as acquisition costs for land assembly. They are also updating a grant funding application for the GFirst Local Enterprise Partnership Growth Fund to enable submission in September 2017, once a new funding round is reopened.
- 3.9 The creation of a parameter plan has been brought forward to May 2017, which will establish the design and delivery principles and drivers for Kings Quarter. Through the creation of the parameter plan, the key constraints and infrastructure requirements and costs required to bring forward development at Kings Quarter can be accurately modelled. This will enable the completion of a high-level appraisal of the viability of the scheme, and therefore allow the business plan to provide advice on delivery models. Internal workshops with key council officers have been set up in order to ensure that all aspects of the council are involved in the planning approach.

- 3.10 LDA and Jones Lang LaSalle are undertaking market research on the prospects for a food hub and twenty first century market for Kings Quarter. This includes a review of the potential for temporary uses to help establish King's Square and the adjoining area as a destination in its own right.
- 3.11 Jones Lang LaSalle are providing market knowledge and advice to support council officers in negotiations with potentially significant office occupier interest. Additionally they have started negotiations with landowners identified as critical to the overall land assembly. The aim is to conclude and agree heads of terms by the end of August 2017. Commercial advice is being provided on the decanting implications for existing tenants.

4.0 Reasons for Recommendations

- 4.1 To achieve a final closure on the Stanhope Development Agreement with a legally binding termination and to note further progress for Kings Quarter regeneration.

5.0 Future Work and Conclusions

- 5.1 If the recommendations are approved, officers will continue to work with LDA Design and Jones Lang LaSalle to bring forward a deliverable Business Plan for Kings Quarter. In addition, further progress reports on Kings Quarter will continue to be provided.

6.0 Legal Implications

- 6.1 None noted to date.

7.0 Financial Implications.

- 7.1 The three year budget for this Kings Quarter enabling consultancy work was approved by Cabinet on 22nd June 2016 for £150,000 per annum and we are currently within that budget.

8.0 Risk & Opportunity Management Implications

- 8.1 The key risk in the Kings Quarter scheme at this stage is the failure to procure a suitable project development partner and funding to take the project forward.

9.0 People Impact Assessment (PIA):

- 9.1 At present, there are no adverse impacts identified for any of the Protected Characteristic groups; as the regeneration of Kings Quarter progresses, Impact Assessments may be required to ensure that those who require parking and access to the Kings Quarter area are given due consideration.

10.0 Other Corporate Implications

Community Safety

- 10.1 Safety of the public will be managed during the Kings Quarter regeneration by the City Council and their appointed Construction Design Management health & safety advisor in association with the main contractor.

Sustainability

10.2 None specific to this report, although sustainability will be considered when specifying products, and in construction methods.

Staffing & Trade Union

10.3 None.

Background Documents:

None.