

Gloucester City Council

Meeting:	Cabinet	Date: 13 th September 17
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:	<ol style="list-style-type: none">1. Executive Summary for Business Plan2. Development Brief3. Full Business Plan (Exempt)	

GENERAL RELEASE

1.0 Purpose of Report

To note the progress made for the new Kings Quarter regeneration project and to agree to progress the procurement of a hybrid planning application.

2.0 Recommendations

- 2.1 Cabinet is asked to **NOTE** the progress made with the Kings Quarter regeneration and, in particular, that:
- (1) LDA Design and Jones Lang LaSalle have produced a first edition of a Business Plan in accordance with the report to Cabinet of 21st June 2017.
 - (2) These Consultants have also prepared a Development Brief as a prelude to a planning application for Kings Quarter which is on target to be submitted in early Summer 2018.
- 2.2 Cabinet is asked to **RESOLVE** that the Business Plan is approved in principle subject to ongoing consultation and that the procurement of the necessary planning team and associated enabling works be competitively tendered as soon as possible.

3.0 Background

- 3.1 This report provides a summary of progress since the last report to Cabinet on 21st June 2017.

- 3.2 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 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.
- 3.3 The agreed project programme is extremely challenging with an expectation that the Business Plan was produced in July 2017 with the intention of submitting this to Cabinet on 13th September 2017.
- 3.4 Subject to approval and recommendations a planning team would be procured with the aim of submitting a comprehensive application in the early summer of 2018. Following determination this could enable works and demolition to commence in the late autumn of 2018 and construction to commence in the spring of 2019.
- 3.5 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 and 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 including GWR, Network Rail and the Homes and Communities Agency.
- 3.6 A commercial retail assessment to confirm the demographic and profile of existing shoppers within the city and to advise on the future shopping potential has been completed by FSP Retail Limited. The results and recommendations have been incorporated into the Business Plan attached at Appendix 3.
- 3.7 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 autumn 2017, once a new funding round is reopened.
- 3.9 The creation of a parameter plan has been brought forward and much of the work completed which will establish the design and delivery principles and drivers for Kings Quarter outlined in the Development Brief attached as appendix 2. The key constraints and infrastructure requirements and costs required to bring forward development at Kings Quarter can now start to be accurately modelled. This will enable the completion of a high-level appraisal of the viability of the scheme, and therefore allow the finished 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 have undertaken 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 continuing to provide 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 possibly agree heads of terms by the end of 2017. Commercial advice is being provided on the decanting implications for existing tenants.
- 3.12 The recent acquisition by the City Council of a long lease for the Kings Walk shopping centre has added impetus to the Kings Quarter proposals and our asset managers, Reef Estates, have been invited to join the Kings Quarter monthly project meetings.

4.0 Reasons for Recommendations

- 4.1 To fully consider the business plan and enable an in principle decision to be taken for the City Council to commence the procurement process for a planning application.
- 4.2 Key considerations within the Business Plan which Cabinet are being asked to approve are as follows:
 - 4.2.1 A true mixed use scheme is proposed with a greatly reduced emphasis on A1 retail space following recommendations from the FSP retail research.
 - 4.2.2 The competitive procurement of a planning consultancy team with final costs for the planning application to be reported back to Cabinet for approval.
 - 4.2.3 The indicative timetable for the planning and initial development phases as set out in the executive summary.
 - 4.2.4 A phased block approach thereby creating considerable flexibility ie. not all eggs in one basket.
- 4.3 The departure from the adopted "retail led" planning policy will need to be carefully managed and communicated.
- 4.4 The present specialist advice from research and the retail consultants recommends that no additional new retail units can be justified and this is a departure from the current retail capacity figures in the Joint Core Strategy.
- 4.5 Any development should seek to provide a solution to improving access and integration with the railway station and hospital.
- 4.6 The consultants advise that market demand and financial viability places the order of preference for uses as housing, car park, food & beverage, retail, hotel and office.
- 4.7 The overall development of Kings Quarter will require some form of public sector support to achieve the Council's objectives.

- 4.8 Flexibility is the key to a changing retail and development market climate and the planning process must maintain this flexible “block approach”.
- 4.9 The delivery actions identified by the consultants are likely to incur an overall expenditure of circa £600,000 to achieve the planning application and determination.

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 finalise a deliverable Business Plan for Kings Quarter. In addition, the procurement of a planning team and initial enabling works will be undertaken leading to a planning application in 2018. 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 the 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. A further budget of £600,000 for the planning application needs to be identified.

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.