

# Gloucester City Council

<b>Meeting:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>12 September 2018</b>
<b>Subject:</b>	<b>Regeneration at Kings Quarter</b>		
<b>Report Of:</b>	<b>Cabinet Member for Regeneration and Economy</b>		
<b>Wards Affected:</b>	<b>Westgate</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
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<b>Appendices:</b>	<b>A - Delineation of Planning Application Boundaries</b>		
	<b>B - Exempt Financial Information</b>		

**GENERAL RELEASE** with the exception of Appendix B which contains exempt information as defined by paragraph 3 of schedule 12A of the Local Government Act 1972 (as amended) and therefore the public will be excluded from the discussion of Appendix B.

## 1.0 Purpose of Report

To note the progress made for the new Kings Quarter regeneration proposals and to approve revised fees for the planning application.

## 2.0 Recommendations

2.1 Cabinet is asked to **RESOLVE** that:

- (1) the revised fee for the Planning Team appointment budget be approved. Please see Appendix B for the financial information.
- (2) the costs associated with the completion of a Planning Performance Agreement (PPA) and the planning submission fees are agreed as set out in Appendix B.

2.2 Cabinet is asked to **NOTE** the progress made with the Kings Quarter regeneration, and in particular:

- (1) the latest plans to attract funding to take forward the creation of a major new 'Creative Cluster' within the refurbished Kings House together with a food court on the ground floor.
- (2) the new bus station construction is progressing well and is on programme to complete on 5<sup>th</sup> October 2018. Following a period of testing there will be a Public Open day on Saturday 27<sup>th</sup> October and bus services commence from Sunday 28<sup>th</sup> October.

- (3) The future potential cost implications of the enabling phase of Kings Quarter Regeneration. These actions will take the project forward into delivery. These are described in more detail in Section 3 and listed in Appendix B.

### **3.0 Background**

- 3.1 This report provides a summary of progress since the last report to Cabinet on 6<sup>th</sup> December 2017.
- 3.2 The Council appointment of a targeted and dedicated project management resource has been extended for a further 12 months to July 2019. This resource continues to be based within the Council's regeneration team two days a week and works on the project remotely for a further third day. This cost is significantly below the budget approved by Cabinet on 22<sup>nd</sup> June 2016 for a three year period commencing on 1<sup>st</sup> January 2017.
- 3.3 We are currently on target and the Business Plan was submitted and approved by Cabinet on the 13<sup>th</sup> September 2017. Since that time the Planning Team led by property and planning advisors GVA has been procured and work has been progressing at pace on the design and planning strategies for Kings Quarter. In addition, the Car Parking Strategy has been completed and brought to Cabinet and approved on 11<sup>th</sup> July 2018.
- 3.4 During Spring 2018, the Planning Team have completed a vigorous and inclusive engagement process with key stakeholders to firstly inform the design of Kings Square and secondly ensure that they have captured as many professional, community and political aspirations/issues as possible. This has been completed by way of workshops and one to one meetings. The information collated was used to create a design brief for Kings Square and to inform the more detailed design of Kings Quarter.
- 3.5 The Planning Team have used the brief to create a design for a new square and this will form the basis of a detailed planning application which is close to submission. The intention is to submit this alongside a hybrid planning application for the remainder of Kings Quarter. This application will request detailed consent for the new public realm and changes to Market Parade, creation of the new Cathedral View pedestrianised street, together with Plots 1, 2 and 3a and b (Kings House). Outline consent will be requested for Plots 3c, 3d and 4. This layout is detailed in appendix A.
- 3.6 Prior to the impending planning submission, public viewing of the proposals and consultations will take place in various locations around the City between Thursday 27<sup>th</sup> and Saturday 29<sup>th</sup> September. The proposals will then be on view in the city centre for all further comments.
- 3.7 The intention is to submit the two planning applications in Autumn 2018. Following this the project could commence the enabling stages. The reason for the revised costs was a change to the number of plots being taken forward for detailed consent. In the original agreed and approved scope of works for the Planning Team, it was envisaged that a greater proportion of the scheme would only be submitted to outline level. The current level of progress in identifying potential delivery solutions

means that more of the scheme requires a detailed consent. Obviously increasing the proportion of space being designed to a detailed level has resulted in a change to timescales and fees.

- 3.8 The Council Planning Department also confirmed that due to the proximity of Plot 1 to a listed building and its location within a conservation area, the application had to be detailed rather than an outline application as originally intended.
- 3.9 In Appendix B the anticipated enabling costs have been listed out. There is no current approval for these costs, but they are included to highlight that if the Council wish to continue with the current pace of delivery then these are the next steps. All the actions could be initiated whilst the planning application is being determined thereby continuing the excellent momentum that already exists.
- 3.10 Despite intensive work from the Planning Team and City Council officers, the prospect of funding from Homes England has been determined to be unlikely. A grant funding application for the GFirst Local Enterprise Partnership Growth Fund to improve the connectivity between the Kings Quarter and the Railway Station was successful and £3.75m has been granted to the Council.
- 3.11 The Planning Team and Project Manager have been working with the Cultural Services Team, Gloucester Culture Trust and the City Council's Place team and its partners to develop a bid for the Culture Development Fund. This grant fund provides capital and revenue support for the creation of new creative workspace and place making. The Council has submitted an Expression of Interest for a programme of works that includes the refurbishment of Kings House into a creative cluster incubation hub and infrastructure improvements together with artistic development activities at the Guildhall. If successful, it could secure up to £5.5m of financial aid. It is intended that along with the hub on the upper floors, the ground floor will be converted into a food court and this will be the focus for the detailed planning application to refurbish Kings House.
- 3.12 Jones Lang LaSalle are continuing to provide market knowledge and advice to support council officers in negotiations with existing tenants that may need to be offered alternative premises.
- 3.13 The relationship between our asset managers, Reef Estates, for the Kings Walk shopping centre has developed and they are now a regular contributor to the Kings Quarter monthly project meetings and are fully involved in the design/planning process.

#### **4.0 Reasons for Recommendations**

- 4.1 To enable the officers and the project manager to complete the planning process as soon as possible and establish viability for the council owned mixed use scheme. It is reasonable that revised fees are incurred due to the change in scope for the consultant team. However, obviously every effort has been made to reduce the impact and the revised budget continues to represent value for money.

- 4.2 The current planning strategy and design has been carefully thought through to ensure that the consents will ensure maximum 'flexibility' and future proof the plots which will only achieve outline consent. The plots receiving detailed consent will permit the council to move straight into the enabling and delivery phase.
- 4.3 The Council should to be seen to adopt its own policies and the requirement for Planning Performance Agreements has been encouraged with private landowners. Hence a PPA has been agreed with the City Council Officers and we are presently negotiating with the County Council, which results in slight uncertainty in final cost.
- 4.4 The PPA process is already proving useful to both the consultant team and the planning department and it will help to reduce the determination period by ensuring close collaborative working between the parties prior to submission, early identification of issues and potential solutions.
- 4.5 The delivery and enabling actions identified by the project manager will help to maintain the pace of delivery and a budget needs to be identified for the enabling works, hence outline figures being identified in appendix B.

## **5.0 Alternative Options**

- 5.1 None.

## **6.0 Future Work and Conclusions**

- 6.1 If the recommendations are approved, officers will be able to continue working on the submission of the hybrid and detailed application for Kings Quarter and Kings Square respectively. In addition, the approval of the PPA will help to reduce the time taken during determination of the planning application and therefore help to further reduce the overall development programme. Future progress reports on Kings Quarter will continue to be provided, together with reports for approval of the enabling and delivery phases, in a timely fashion.

## **7.0 Legal Implications**

- 7.1 With regard to contract matter: The Council has appointed GVA Grimley Ltd under a contract dated 25 May 2018 from a Framework Agreement to carry out certain planning consultancy services relating to Kings Square. The services are contracted for a fixed fee of £447,544.00, based on a Council Brief for the services, to cover the period 17 December 2017 to 17 December 2019. The terms and conditions of the Framework Agreement apply to the Council. In paragraph 4.1 of the Report, there is reference to a change in scope of the services, incurring revised fees. The Public Contracts Regulations Regulation 72 and Section 6 of the Council's Contract Rules deal with amendments to contracts during their term. The Framework Agreement contains provisions to ascertain fees, which need to be a clear review provision. Additionally variations are allowed where a change of service provider would not be practical for technical reasons or would involve substantial inconvenience/duplicate cost and if the change could not have been foreseen by a diligent contracting authority and the changes do not affect the overall nature of the

contract. Under both of the latter grounds any increase in price must not exceed 50% of the price of the original contract. Under the terms and conditions of the contract, all additions, amendments and/or variations to the contract must be annexed to the contract and be in writing and shall only be binding if signed or initialled by the duly authorised representatives of the Council and of the Consultant.

- 7.2. With regard to Planning Performance Agreements: A Planning Performance Agreement (PPA) is an agreement between the Local Planning Authority and the Applicant to provide a project management framework for handling major planning applications. The framework is designed to improve and speed up the planning process by committing both parties to an agreed timetable and ensuring that all key planning issues are properly considered. A PPA is made pursuant to Section 111 of the Local Government Act 1972, Section 2 of the Local Government Act 2000, Section 93 of the Local Government Act 2003 and Section 1 Localism Act 201.

## **8.0 Financial Implications.**

- 8.1 The three-year budget for this Kings Quarter enabling consultancy work was approved by Cabinet on 22<sup>nd</sup> June 2016 for £150,000 per annum and we are currently within that budget.
- 8.2 The Planning Application budget which Cabinet approved on 6<sup>th</sup> December 2017 has been revised to reflect the changed circumstances set out in this report. Details are set out in appendix B with costs relating to the Planning Performance Agreement and the application fee. This appendix contains exempt information as defined in paragraphs 3 and 5 of schedule 12A to the Local Government Act 1972 (as amended).

## **9.0 Risk & Opportunity Management Implications**

- 9.1 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.

## **10.0 People Impact Assessment (PIA):**

- 10.1 At present, there are no adverse impacts identified for any of the Protected Characteristic groups; as the regeneration of Kings Quarter progresses, the design process has been carefully devised to ensure maximum community engagement with a focus on achieving engagement with disabled and other minority groups. Further Impact Assessments will be considered as part of the planning process.

## **11.0 Other Corporate Implications**

### Community Safety

- 11.1 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

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

### Staffing & Trade Union

- 11.3 None.

### **Background Documents:**

None.