

Gloucester City Council

Meeting:	Cabinet	Date:	5 December 2018
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:	A – Costs of Enabling Works and Additional Legal Implications (exempt by virtue of paragraphs (3) and (5) of schedule 12A to the Local Government Act 1972)		
	B – Plan A		

GENERAL RELEASE / EXEMPTIONS

The report and Appendix B are for general release; however, the public are likely to be excluded from the meeting during consideration of Appendix A to this report as it contains exempt information as defined in paragraphs (3) and (5) of schedule 12A to the Local Government Act 1972 (as amended).

1.0 Purpose of Report

- 1.1 To secure approval for necessary capital enabling costs (see Appendix A Table 1) to carry forward the momentum generated by the Kings Quarter regeneration project and ready the site for development.

2.0 Recommendations

- 2.1 Cabinet is asked to **APPROVE** the following activities to assist in achieving the delivery and discharge of likely planning conditions for a newly refurbished Kings Square by the Autumn of 2020. This will also enable the continued momentum of the Kings Quarter project.

- (1) Procurement of a demolition contractor to remove the former Furniture Recycling Project part of Grosvenor House and the old bus station structures.
- (2) Procurement of archaeological and soil investigations for the proposed sites of Plot 1, 2 and 4.
- (3) Procurement of a below ground geotechnical survey to agree the foundation structure for a new substation on Plot 2.
- (4) Procurement of a Construction Design Management (CDM) Principal Designer. This is a legal requirement and must be in place prior to commencement of works on Kings Square and the wider quarter.

- (5) Satisfaction of various planning conditions associated with Kings Square likely to include archaeological surveys, ground investigations and detailed construction drawings to enable the procurement of the contractors by Autumn 2019.
- (6) Appointment of a legal advisor to provide assistance with the development of the S106 agreement.

- 2.2 Cabinet is asked to **NOTE** that subject to any necessary consents being obtained and the bids from the procurements listed in recommendation 2.1 being in budget, the Head of Place, in consultation with the Council Solicitor, will award the contracts to enable those works to be undertaken before determination of the planning application.
- 2.3 Cabinet is also asked to **NOTE** that the cost of refurbishing Kings Square is included in the Council's draft capital programme to be presented to Full Council in February 2019. Further budget will need to be identified for the next phases of the regeneration programme. Preliminary Enabling Works associated with this have been listed in Appendix A Table 2.

3.0 Background

- 3.1 This report seeks approval for a budget to meet the enabling costs highlighted in a report to Cabinet on 12 September 2018 as being critical to ensuring that the discharge of planning conditions relating to Kings Quarter can be met and therefore enable the delivery of a refurbished Kings Square by Autumn 2020. A more detailed breakdown of the costs can be found in Appendix A Table 1.
- 3.2 Since approval of the business plan by Cabinet on the 13th September 2017, the project has been progressing in line with expectations. GVA are programmed to submit a hybrid planning application for Kings Square and Kings Quarter respectively towards the end of November 2018. This follows a period of intense stakeholder and public consultation over the course of the Spring and Summer.
- 3.3 This application will request detailed consent for the new public realm including Kings Square and changes to Market Parade, creation of a new pedestrianised street, Plot 1, 2 and 3a and b (Kings House). Outline consent will be requested for Plots 3c, 3d and 4.
- 3.4 Plan A attached to this Report identifies the respective locations of all plots referenced above.
- 3.5 The public consultation that took place in September 2018 was very successful and over 400 visits to the website have been logged so far. In addition, we have received 37 responses to the consultation process, the majority of which have been positive. This information will be collated and provided verbatim in a Statement of Community Involvement to support the planning applications. The number of responses was relatively low, but it needs to be borne in mind that previous consultations have taken place and the proposals put forward were consistent with the majority of comments previously received.
- 3.6 Cabinet will be aware that the Project Manager has 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 been successful in getting through to the final round of bidding. We will be notified in January 2019, whether the Council has been granted the £5.6m for the refurbishment of Kings House into a creative incubation hub and infrastructure improvements/artistic development activities at the Guildhall.

- 3.7 Should this funding application not be successful, the ambition for cultural development in Kings Quarter and beyond remains. However, the pace of delivery will be affected.
- 3.8 Finally, the relationship between our asset managers for Kings Walk, Reef Estates, 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 as well as the future branding and marketing efforts. A joint PR messaging strategy is being employed to ensure that all communication with the press and stakeholders is consistent and therefore more powerful.

4.0 Reasons for Recommendations

- 4.1 To enable the officers and the Project Manager to discharge the potential planning conditions required to bring forward Kings Square for redevelopment by Autumn 2019 and therefore enable delivery of the new square by Autumn 2020.
- 4.2 Now that the new bus station is open, the original bus station will be redundant and has been secured. If we can progress the demolition of these structures, this will provide an essential opportunity to gain access for archaeological investigations required as part of the planning conditions. The Project Manager has worked closely with the Consultant Team and the Council Archaeologist to develop a specification which represents value for money and reduces risk for the Council as landowner.
- 4.3 In addition, if we consider the simultaneous removal of the old Furniture Recycling Project store forming part of Grosvenor House, this will enable the creation of a relocation site for the main substation located on the ground floor of Grosvenor House. Until this substation is successfully relocated the demolition and further development of the site is not feasible.
- 4.4 Satisfaction of the planning conditions will need to be discharged prior to any commencement on site. These include the completion of the arts strategy and is also likely to include the management of various art competitions to identify designs of several art installations planned for the Square.
- 4.5 In order to finalise the delivery strategy and analyse the best course of action for the Council, further specialist legal and property advice will be required and provided by JLL and One Legal. In addition, risk will be further reduced by investment in marketing of the planning consent and the development space it will provide. Securing pre-lets of the new Multi-Storey Car Park in Plot 2 as well as stimulating interest in office and hotel uses for Plot 4 will help to crystalize the best delivery mechanism and the quantum of capital borrowing that may be required.

5.0 Future Work and Conclusions

- 5.1 If approval is consented, further activity and evidence of progress will be provided by the erection of hoarding and demolition at Kings Quarter. It will provide visual confirmation of the Council's commitment to the regeneration of the quarter.
- 5.2 Whilst it is a substantial quantum of funding, all costs will reduce the risk of the development and therefore potentially save further costs in the future from abortive works or delay. It should be noted however that soon further capital borrowing may need to be considered by the Council to bring about the actual construction of both Kings Square and the next phase of Kings Quarter. Presently, it is anticipated that the first to come forward for consideration would be the cost of Kings Square, although this may include Plot 3A and B if the Cultural Development Fund is successful.
- 5.3 Further progress reports on Kings Quarter will continue to be provided and a subsequent approval for the abnormal delivery costs could be brought forward in late Spring 2019.

6.0 Legal Implications

- 6.1 All procurements must be carried out in accordance with the Council's Contract Rules and the Public Contracts Regulations 2015. All contracts above £10,000 must in a form drafted or approved by One Legal.
- 6.2 Overall, there is likely to be substantial legal input in respect of the procurement, contract and property aspects of the proposal including advice on the s106 agreement set out in the recommendations (as appropriate).

(One Legal have been consulted in the preparation of this report)

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.
- 7.2 This paper requests a further approval for enabling works (Table 1) details are provided in Appendix A.
- 7.3 It is proposed that funding from the regeneration fund could help to cover the additional cost. This would be consistent with the Council requirement to ensure that any receipts generated from Blackfriars and the ex- SWRDA transferred assets are used for city regeneration purposes.

(Financial Services have been consulted in the preparation of this report)

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 capital funding to take the project forward.

8.2 If planning permission is not granted the costs incurred to date may become abortive.

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, 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.

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