

CORPORATE ACTION PLAN 2008/09
HIGH PRIORITY ACTION- DEVELOPING PROPOSALS FOR THE REGENERATION OF
PARTS OF WITHAM, BRAINTREE AND HALSTEAD

Agenda Item 2a

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Background Papers:- Braintree District Council's Direction and Ambition 2008-2012
Corporate Action Plan 2008/09
Financial Implications:- See details within the report.
Equalities Implications:- N/a.
Legal Implications:- Land ownership, disposals and potential joint ventures.
Options: See details within the report.
Risks: See details within the report.

EXECUTIVE SUMMARY

The Council's Corporate Strategy for 2008-2012 has identified the regeneration of parts of Witham, Braintree and Halstead by 2012 as a key priority.

Developing regeneration plans for each of the towns is a high priority action in the Council's Corporate Action Plan for 2008/09.

This report looks at the regeneration sites identified in each town and sets out plans and proposals for redeveloping them in accordance with the Council's aspirations.
The Appendix provides background information for each site

DECISION

It is recommended that :-

1. Members approve the following Governance arrangements for the 3 Town Centre regeneration sites:-

Programme Steering Board – Cllr Butland, Cllr Harley (plus 3 members: one to be nominated from each of the Local Committees), Peter Crofts & Allan Reid.

2. That Members authorize Officers to undertake a full consultation exercise and prepare a detailed development brief for both the Braintree and Witham Town Centre sites. The final development brief to be referred to each of the Local Committees and Cabinet for approval.
3. That the Council owned land contained within the redevelopment site known as Land East of the High Street, Halstead, be declared surplus to requirements and disposed of on the open market on the terms to be agreed by the Programme Board.

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1) Newlands Shopping Centre and Car Park, Witham

The Council is seeking to work in partnership with the owner of Newlands Shopping Centre to bring forward a redevelopment solution that is both viable and meets Member expectations.

The Proposal

A business proposal has been prepared (as summarised below) on the basis of an indicative scheme that could include retail, residential, car parking and office accommodation.

The Business Proposal

An initial report was prepared in March 2008, which recommended that consideration be given to a redevelopment based upon a mix of retail, residential and office uses, with associated car parking facilities.

Consultants Cushman and Wakefield and AWW Architects have considered a number of options to address these issues by reconfiguring the north end of the development to provide a 15,000sq ft retail unit, and to improve access by opening up the western end of the precinct to the car park addressing the current issue of the blank frontages to the rear of the scheme. Additionally, the plans have sought to improve access by re-routing the access road away from the shopping centre entrance around the north side of the car park.

The open courtyard created following this reconfiguration could accommodate either the existing market stalls or small speciality retail units. Over and above existing retail units and the new build accommodation two storeys of residential flats are proposed, although these are subject to an assessment of the capacity and condition to support new build upon the existing structures.

In order to create a semi-climate controlled environment a glazed roof has been proposed which extends out to, and enhances, the precinct entrance onto Newland Street.

Further residential accommodation is proposed adjoining Collingwood Road and Guithavon Street, although these would be carefully designed to ensure that they are appropriate to the immediate environment and context.

It is estimated that the total site area amounts to approximately 2.54 hectares (6.3 acres) and the environment agency flood map indicates that there are no immediate risks associated with the site.

Summary and Recommendations

It is recommended that a joint agreement be sought between Glanmore Investments and Braintree District Council for taking the combined sites to the market in order to identify a suitable development partner / site purchaser.

It is proposed to market test the viability of the development brief prepared for the site and enter into competitive dialogue with developers to establish an appropriate scheme to take forward. This could result in a cost neutral scheme or a need by the Council to subsidise a negative value scheme.

Timescales (high-level)

- Preparation of Feasibility Study – June 2008
- Present / Approval of Business case – July 2008
- Consultation / Preparation of development brief – July / Sept 2008
- Complete / Report results of public consultation exercise – Oct/Nov 2008
- Commence Marketing to identify shortlist of developers – Nov 2008
- Presentation to members & Glanmore – Jan 2009
- Appointment of chosen partner – Mar 2009

2) Land at Rear of Braintree Town Hall and Causeway House

The Proposal

A business case has been prepared (as summarised below) on the basis of an indicative scheme that would include in the region of 50,000 sq. ft. of new build office accommodation for Braintree District Council and Essex County Council. A detailed analysis of each authority's space requirements is currently being undertaken based on proposed new ways of working to validate this figure.

The business case considers a high quality, fully sustainable solution. This approach will give Members the opportunity to make decisions based on desired outcomes and affordability.

The Business Case

Proposed Development upon the Former Town Hall Site

The Town Hall site lies on the eastern edge of Braintree Town Centre and is currently occupied by surface car parking, a bus station and a community centre. Two civic buildings, the former Town Hall and the Town Library border the site in its western edge and the Town Museum lies north on the other side of Manor Street.

Existing development, which fronts onto the other boundaries, is of a smaller scale and generally of a residential nature. The site amounts approximately 0.7 hectares and features a fall of four metres from north to south. The site lies within the Braintree Town Centre conservation area and the Environment Agency flood map for the area indicates there are no flood risks associated with the site.

Form of Development

The external consultants, Cushman & Wakefield and AWW Architects have prepared a series of reports for Braintree District Council analysing a number of options for the redevelopment of the site. In essence, however, the core nature of the development is based upon office accommodation for occupation by Braintree District Council and Essex County Council, with a potential maximum developable area as follows:

50,000 sq ft: new office accommodation
10,000 sq ft: new retail accommodation
50,000 sq ft new residential accommodation
225 Car Parking spaces (undercroft)

The proposals are based around the creation of a new public square in the northern part of the site, which benefits from a direct link to the existing pedestrian route through to the Town Centre. The Council and new civic buildings will be located around the square with ancillary retail blocks to complement existing Town Centre facilities. New residential blocks will be located in the southern half of the site with bus terminal and parking of a quality consistent with the new accommodation provided to replace any lost facilities.

Principal Risks Associated With the Project

1. Market conditions and the existing financial turmoil may severely reduce interest within the site.

Response: Given that the District Council and County Council will be the principal site occupiers, and the relative strength of their covenant value within the market place, the consultants believe that there will still be a strong level of interest within the development proposals.

2. Building costs and construction inflation render the development unviable.

Response: As there is a ceiling to relevant rental values for office accommodation within Braintree a balance needs to be agreed between cost construction/standard of finishes and the relevant rental values. It may therefore be necessary for the Council to consider a financial subsidy in order to secure the type and nature of scheme they require.

3. A purchaser cannot be identified for the existing office accommodation at Causeway House in order to subsidise the total development cost.

Response: Both sites would be exposed to the market simultaneously (e.g. a disposal of Causeway House and identification of a development partner for the Old Town Hall site) so that either the same party was responsible for both schemes or each transaction became legally binding before the Council was formally committed to proceed.

Mobile & Flexible Working

Key to the Braintree Office programme & in line with the “Essex works flexibly partner group” is the Mobile & Flexible working initiative currently being trialled across the organisation, allowing staff to work remotely & in a way that allows them greater freedom & mobility.

Additionally the on-going Document Management project (including Intranet, internet, network fileshare & i-docs) not only acts as a key enabling component to the Mobile & Flexible working project, but in conjunction with the anticipated reduction in fixed desk & storage space, considerably reduces BDC’s future office space requirements.

Front Facing Customer Services

One of the key advantages of the proposed new build is the opportunity to create a new, flexible and modern customer facing facility, encouraging partnership working across County/District Councils, voluntary sector & emergency services.

This approach has proved both popular and successful in other locations, particularly in Kent where the “Gateway” model offers customers access to front line advisors and officers from over 30 agencies/delivery partnerships.

Timescales

This project would need to be pursued via the competitive dialogue process under the OJEU Rules. The following table sets out the approximate time line for the procurement process.

- Preparation of Feasibility Study – June 2008
- Present / Approval of Business case – July 2008
- Consultation / Preparation of development brief – July / Oct 2008
- Complete / Report results of public consultation exercise – Oct/Nov 2008
- OJEU notice released – Dec 2008
- OJEU notice period ends – Jan 2009
- PQQ & supporting material issued – Jan 2009
- PQQ period ends – Feb 2009
- Invitation to participate in first stage of dialogue – Mar 2009
- Submission of outlined solutions – Apr/May 2009
- Invitation to participate in second stage of dialogue – May 2009
- Submission of detailed solution – June 2009
- Close of dialogue & call for final tenders – June/July 2009
- Submission of final tenders – July 2009

Summary

Braintree District Council is promoting a high quality mixed-use development upon the Old Town Hall Centre site to secure:

- Excellence in the provision of public services.
- A sustainable development and landmark building that enhances Braintree as a place to visit, shop, live and work.
- The best possible use of this development opportunity within the Council's overall strategic plan.
- Modern accommodation for Council, staff and civic amenities, which suit its community leadership role.
- A highly accessible site for pedestrians with minimum impact on local traffic.
- A high quality new public realm.

3) Land East of the High Street, Halstead

The Council has been facilitating the site assembly of an area of approximately 5 acres east of Halstead High Street in order to unlock a site, which will contribute to a major regeneration project.

Agreement has now been reached with all parties with an interest in this site to jointly bring the site forward for redevelopment. Potential schemes are likely to include food retail and / or residential. It should be noted that a significant level of interest has been forthcoming over recent months from a number of big name food retailers with a substantial offer having already been submitted!

The Vendor Cooperation Agreement is on target to be signed by all parties by the end of June/early July and then the site will be actively marketed.

The Council has negotiated a 20% share in the net sale proceeds having the benefit of a key access to the site off St. Andrew's Road.

The Council has also acquired 2 houses with large gardens at 1 & 2 Vicarage Meadow and will be reimbursed the acquisition costs, together with interest, from the disposal receipt to be distributed amongst the various landowners.

It should be noted that any offer received will be subject to planning and highways considerations and therefore it may take until the end of 2009 before a sale is concluded.

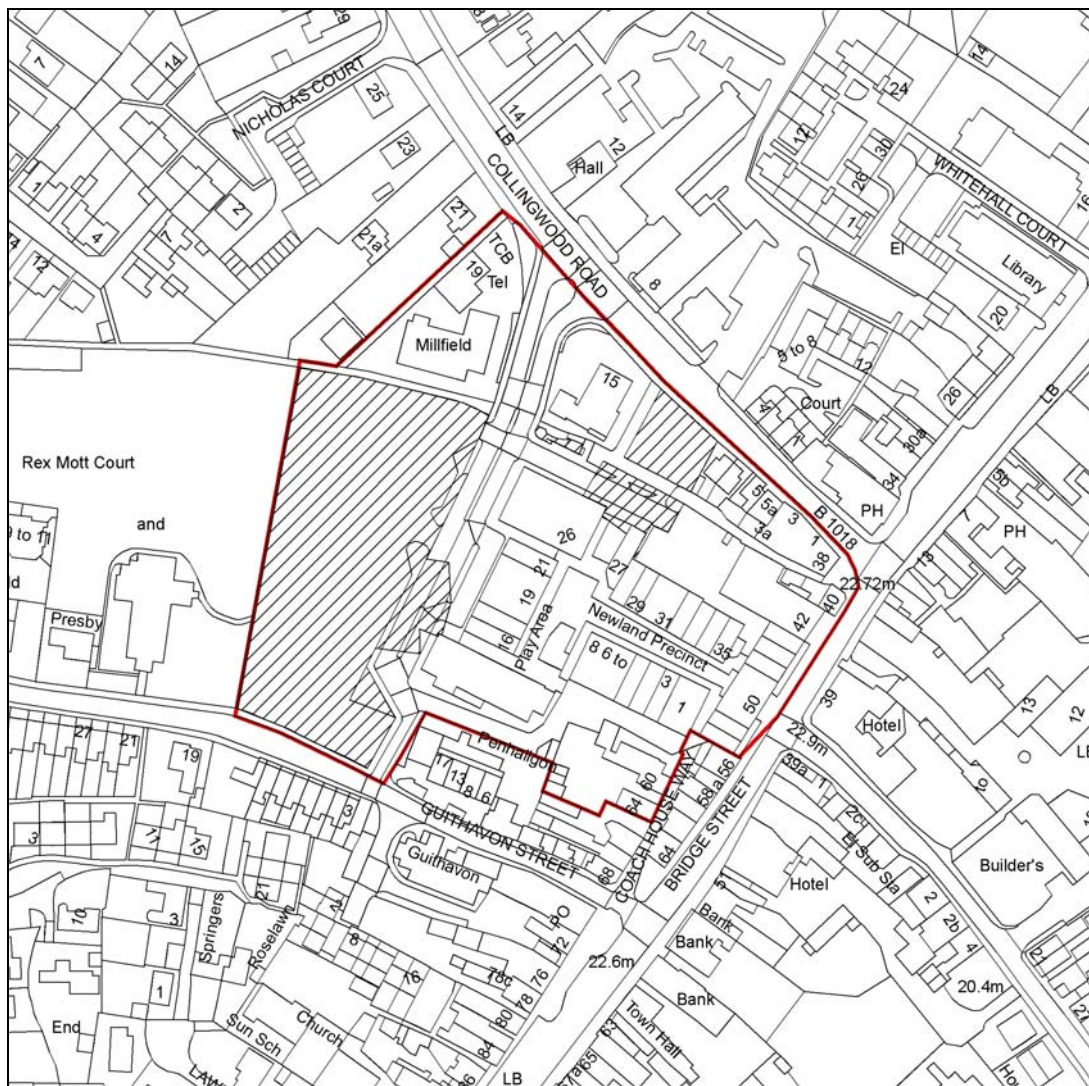
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APPENDIX 2a

1) Newlands Shopping Centre and Car Park, Witham

This site, as shown outlined black on the attached plan, has been identified as key regeneration site in Witham. There are a number of separate freehold & leasehold interests contained within the overall site.

The Council owns the Newland Drive & Lockram Lane car parks (as shown hatched black on the attached plan) and may need to approach the treatment of these assets with a degree of flexibility (i.e., lease, forgo income, sell etc) in order to enable a viable scheme to be realised. Also, in order to realise its vision for this site, the Council may need to consider subsidising or providing funding for a preferred scheme.



The Business Proposal

The market town of Witham contains two retail precincts, the Newlands Shopping Centre & the Grove Centre located on the westerly & easterly sides of Newland Street respectively.

The Grove Centre is a modern two/three storey development anchored by Tesco Superstore with associated car parking.

The Newlands Shopping Centre is a late 60s/early 70s development occupying the western half of Newland Street which is held freehold by Glanmore Investments. The remainder of this site is occupied by a large surface car park owned by Braintree District Council with a number of ancillary ownerships upon its immediate borders.

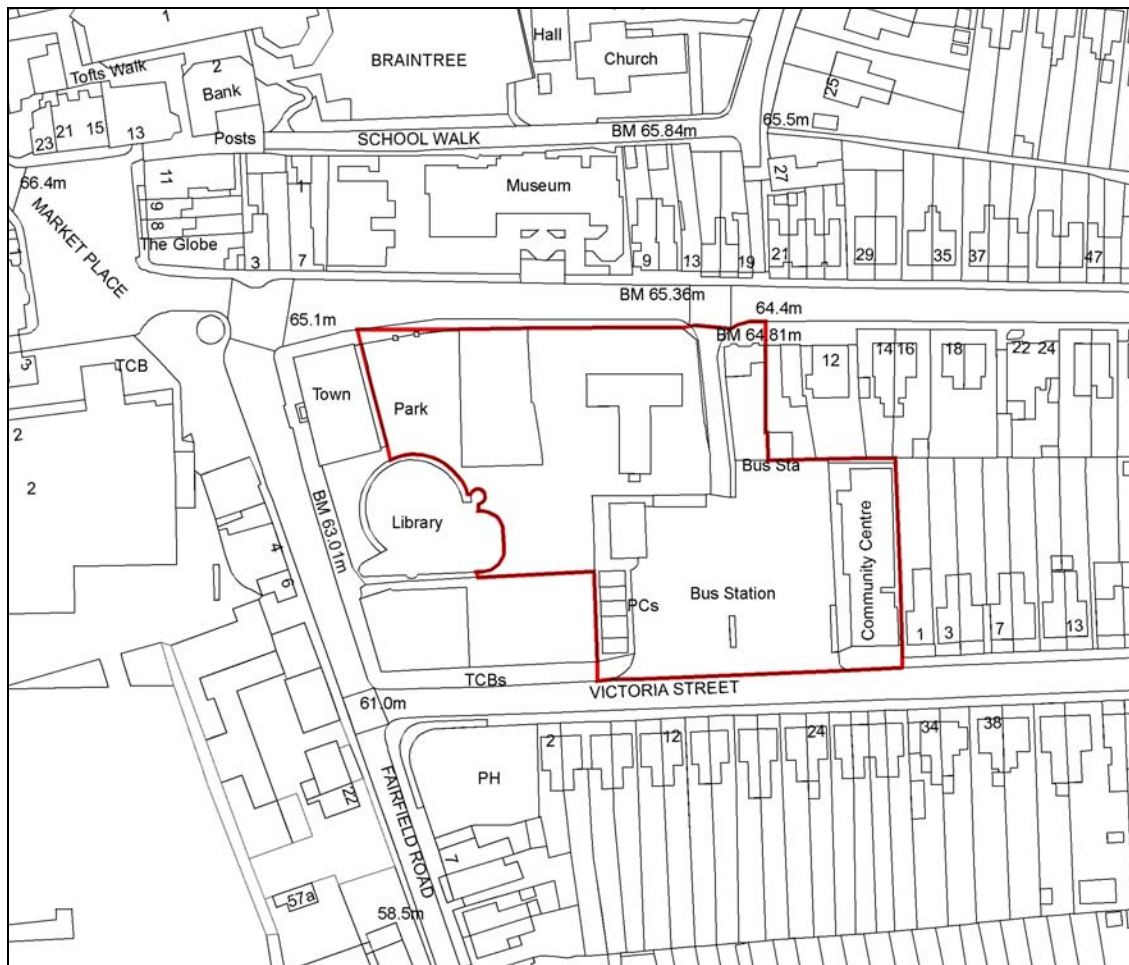
The Newlands Shopping Centre is now a dated environment suffering from a poor image with largely un-modernised retail accommodation unsuited to current occupational needs.

2) Land at Rear of Braintree Town Hall and Causeway House

Background:

The land (as shown outlined in black on the attached plan) situated behind the Braintree Town Hall and Library, with frontages to both Manor Street and Victoria Street has been identified as a key regeneration site in Braintree.

An initial feasibility appraisal has been undertaken by Consultants, Cushman & Wakefield, which indicated that an exciting scheme was possible in this location and could act as a catalyst to enhance and improve the town centre. Potential uses for the site include office accommodation, community facilities, retail, residential and public car parking.



Causeway House:

Braintree District Council has been working with Essex County Council over the past 18 months with a view to agreeing a shared front office and back office solution for both authorities in Braintree. Essex County Council currently occupies two office buildings in Braintree that are no longer fit for purpose and Braintree District Council is reviewing its future office accommodation provision on the basis that Greenfields Community Housing will be vacating Causeway House in December 2009 and Causeway House requires extensive refurbishment.

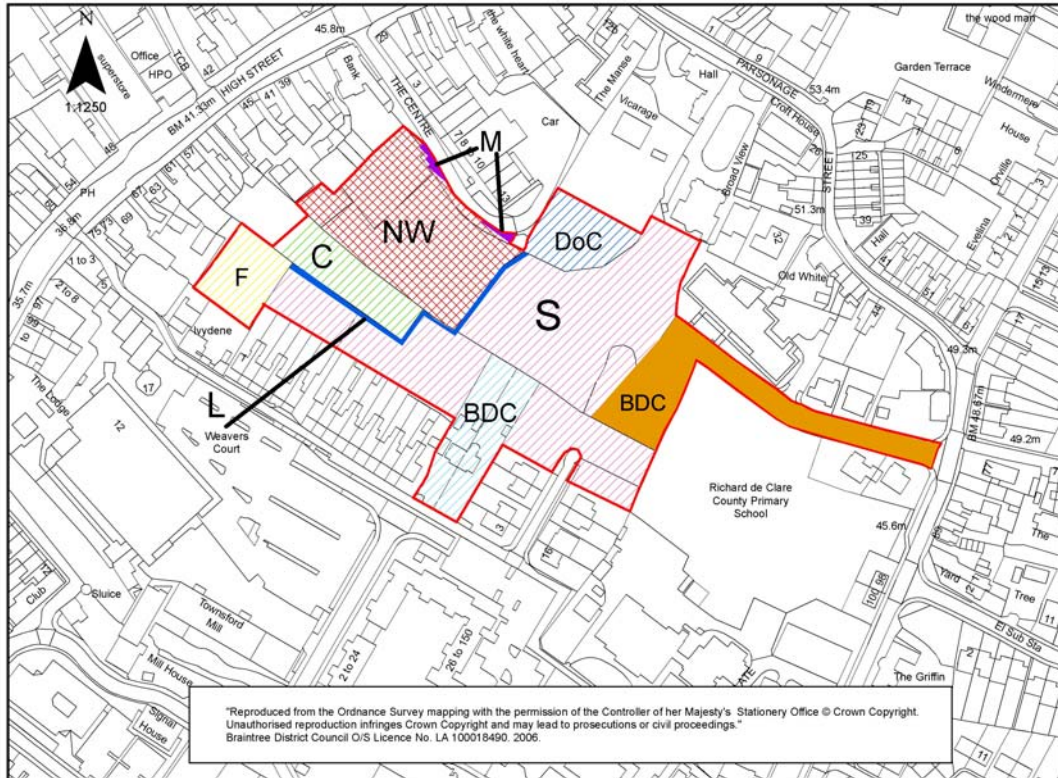
Following an extensive options appraisal exercise it has now been concluded that the most cost effective and beneficial option (both for the customer and the District) is a new build office as part of a wider regeneration scheme on the Town Hall site in Braintree.

Essex County Council has now indicated that they would prefer to be a tenant within the new office building from an operational and financial point of view.

The benefits of this option include:-

- a) The achievement of a key corporate priority through the regeneration / redevelopment of the site behind the Town Hall to produce a modern, mixed-use town centre scheme.
- b) The release of value contained within the Council owned Causeway House and Town Hall sites to provide a significant level of funding to support the project.
- c) The realisation of cost savings and increased efficiencies across both Braintree District Council's and Essex County Council's office portfolios.
- d) Greatly enhanced and improved joint front office customer access facility in one central location.
- e) Create modern, flexible and future proof space, built to the highest environmental standards to accommodate approximately 667 joint office and partner staff (230 Essex County Council and 437 Braintree District Council and partnership staff).
- f) The introduction of new flexible and mobile working arrangements to reduce costs, increase efficiency and improve service delivery.
- g) A significant annual income would be realised by Braintree District Council from letting surplus space to Essex County Council (and other partner organisations)
- h) The opportunity to provide approximately 50,000 sq ft of progressive, flexible civic accommodation cost effectively.

3) Land East of the High Street, Halstead



Areas

BDC (St. Andrews Road)	- 2273 sq.m.
C (GE Cook)	- 1033 sq.m.
F (Mr Fleet)	- 1001 sq.m.
BDC (Vicarage Meadow)	- 841 sq.m.
L (Lloyds)	- 404 sq.m.
M (GJ & S Properties Ltd)	- 109 sq.m.
NW (Nat West)	- 3728 sq.m.
S (SAHA)	- 8414 sq.m.
DoC (The Church)	- <u>1033 sq.m.</u>
Total –	18836 sq.m. (4.7 acres)