

Andover Town Centre Rejuvenation and South of Romsey Town Centre Projects Update

Report of the Leader and Planning Portfolio Holder

Recommended:

- 1. That the budget requirement, as set out in paragraph 8.3, be approved to progress the Andover Town Centre Rejuvenation and South of Romsey Town Centre projects and the cost is met from the New Homes Bonus Reserve.**
- 2. Expenditure from the allocated budget be delegated as follows:**
 - a. For Andover, to the Head of Planning and Building in consultation with the Head of Revenues Taxation/Enterprise, the Finance Portfolio Holder and the Leader; and**
 - b. For Romsey, to the Head of Planning Policy in consultation with the Head of Finance, the Finance Portfolio Holder and the Planning and Romsey Futures Portfolio Holder.**

SUMMARY:

- This report provides a brief update on the progress of the Andover Town Centre rejuvenation project and the south of Romsey Town Centre project.
- This report identifies a number of areas of work that will require additional professional support in the future to take the projects forward and ensure successful outcomes.
- This report recommends that a budget, financed from the New Homes Bonus Reserve, be approved for any work required to take the projects forward.
- This report seeks delegated authority to spend funds from the allocated budget.

1 Introduction

- 1.1 This report provides a brief update on the progress of the Andover Town Centre rejuvenation project and the south of Romsey Town Centre project.
- 1.2 The report identifies a number of areas of work that will require additional professional support in the future to take the projects forward and ensure successful outcomes and recommends that a budget be approved for any such work.

2 Background

2.1 Andover Town Centre Rejuvenation

- 2.2 The Council purchased the Andover Magistrates' Court building plus the 48-space car park on 3 July 2015. As part of the One Public Sector Estate programme, work was undertaken with a number of partners to create a combined use building for public sector bodies. This primarily included combining a number of local doctors' surgeries, HCC Community Link, CAB and potentially some additional facilities.
- 2.3 However, following the preparation of a number of detailed surveys the doctors' surgeries withdrew their interest in the project. The inclusion of the GP practices was pivotal to the success of the public sector hub and without their commitment the project could not proceed.
- 2.4 Further work was undertaken to consider the options available to the Council to bring the building back into use or re-develop the site. One of these options was to explore a large scale re-development on the site, potentially to also include The Lights theatre.
- 2.5 The Council launched a market engagement exercise on December 2017 to explore the wider opportunities associated with redevelopment of the Andover Magistrates' Court site and The Lights as a cultural quarter. Initial interest from developers has been promising and the scale of the project grew. A Prior Information Notice (PIN) was published on the OJEU website inviting potential bidders to developer days in Early 2018.
- 2.6 The Council also engaged in discussions with Andover College as an adjacent landowner about our plans. The college has identified this exercise as an opportunity to explore the feasibility of new college facilities on their site, delivering brand new buildings for their learners and making more efficient use of their site. They have asked that their site be included as part of the market engagement exercise.
- 2.7 Similarly, Simplyhealth have also asked the Council to include their Anton House site in the market engagement exercise. Simplyhealth have other premises in Andover and, like the college, are keen to explore the opportunity for including their Anton House site in any redevelopment in this location and maximising the use of other premises in Andover.
- 2.8 A revised PIN, which also included the college campus and Simplyhealth offices, was uploaded to the OJEU website in January 2018. Two developer days were subsequently held and seventeen companies expressed an interest in the redevelopment potential of the site.
- 2.9 Following the developer days work on the project continued with our partners Andover College and Simplyhealth, part of the work included high level viability work commissioned by Simplyhealth. The high level viability work raised concern that the site was not large enough to deliver all of the required constituent parts.

- 2.10 Councillors had also been increasingly concerned about the growing obsolescence of the Chantry Centre given the changing nature of the High Street up and down the country. Councillors had been seeking for some considerable time to bring pressure to bear on the leaseholder of the centre (Aviva) to do something about this situation.
- 2.11 This led to Aviva in conjunction with another partner submitting an investment proposition to the Council. This investment proposition was considered at the time but was not something that the Head of Finance could recommend as a way forward.
- 2.12 The Council instead approved a budget to undertake due diligence on a potential purchase of the leasehold interest of the centre. Following the completion of that due diligence, and with the necessary Council approval in place, the Council purchased the Chantry Shopping centre on the 29th March 2019. This was followed later in April by the Council purchasing some additional units in the Upper High Street. These purchases give the Council control of a significant town centre site.
- 2.13 It is important to note that the Council did not resolve to purchase the Chantry Centre to own and operate it as a shopping centre in its current form.
- 2.14 Having gained control of the site, the Council is now in a position to facilitate regeneration of Andover town centre, including the facilities envisaged in the Cultural Quarter. Any such proposals could include redevelopment to reflect a more relevant mix of uses such as retail, leisure, commercial and residential uses together with improvements to the public realm.
- 2.15 Immediately following the purchase of the leasehold interest of the Chantry Centre the Council invited tenders from Contractors for the production of a masterplan for Andover Town Centre. The aim is to have a masterplan in place for Andover Town Centre early next year which will inform development opportunities for the town centre.
- 2.16 Following completion of the masterplan the next phase of the project will be to explore the redevelopment opportunities identified.
- 2.17 South of Romsey Town Centre
- 2.18 In November 2013, a number of organisations working in Romsey came together to create the Romsey Future partnership. Romsey Future includes key partners such as the Town Council, Romsey and District Society, voluntary organisations and the Borough Council. Following a wide scale public consultation involving over 2000 people a vision document was published in early 2016. It sets out the long-term strategic vision for the town. The Council, along with other partners in the town, has formally signed up to the document.

2.19 Key themes that arose from the public consultation process included:

- The creation of improved community facilities (for example the update or replacement of the Crosfield Hall)
- An improved retail offer that would extend and complement Romsey's market town appeal
- The potential for more housing within the town centre
- Better use of the Bus Station site
- Improved public realm
- Creating more car parking capacity

2.20 In response, the vision document contains an ambition to redevelop the south side of the town centre of which the Bus Station and Crosfield Hall are at the core. This project also reflects the Local Plan in respect of new regeneration opportunities.

2.21 Nexus Planning and Perkins & Wills Architects were subsequently appointed in July 2018 to undertake a major consultation exercise, which will lead to the creation of a masterplan for the south of town centre area, in early 2020. It is intended that the masterplan will lead to the creation of a supplementary planning document (SPD) and marketing document which will set out the community's aspirations for the area for future developers. As this time line complements progress with the next Local Plan any proposals for land south of the by-pass would be brought forward as allocations.

2.22 The initial public consultation on the masterplan was carried out over September and October 2018. With help from Nexus Planning and Perkins & Will Architects, the purpose of the consultation was to engage with stakeholders and the wider community to establish what realistically can be achieved for the area. It is estimated that more than 1,500 people took part in the process, culminating in a "Planning for Real" type workshop with more than 60 key stakeholders in December 2018.

2.23 Nexus Planning and Perkins & Wills Architects are currently working on the outputs of these exercises to develop the draft masterplan. In addition a viability study is being undertaken to inform that work. The draft masterplan will undergo a further round of public consultation in the summer months. In addition to the public consultations the Council is also working with adjoining landowners to ensure that they understand the opportunities that the process could potentially offer.

- 2.24 As the master planning process is now well under way the Council's thoughts have turned towards the delivery phase of the project and, in particular, the resources that will be required to assist in that process. The Master planners have identified short, medium and long term enhancement opportunities that require consolidation into an overall project plan following the adoption of the masterplan.
- 2.25 Focus of report
- 2.26 This report focuses on the works' technical and professional advice required to progress the development and redevelopment projects that flow from the current work taking place in both Andover and Romsey.
- 2.27 External commercial advice will be required for both the Andover and Romsey projects. We have heard from other councils how crucial this type of advice has been to them in helping them in their successful town centre regeneration projects. Procurement of expert advice could be carried out in a number of different ways from single contracts for each project or joint procurement across projects. It is possible to achieve economies of scale if we go out to tender for both Andover and Romsey as part of the same package of work. In addition to economies of scale it is also thought that this approach may attract the "bigger players" to bid for the projects and allow the successful bidder to develop a strong relationship with TVBC at a range of levels. Officers will need to decide which will be the most effective approach to procurement taking into account the needs of each case when any such advice is required.
- 2.28 In the first instance, the commercial advice would allow us, in both Andover and Romsey, to identify the best form of delivery for the different circumstances. As the regeneration process progresses the commercial advisors will be able to assist the council chose the partners that would best provide the desired outcomes. Finally, the advisors will represent the Council's interest on an ongoing basis to ensure that once development partners are on board the best interests of the council and the community are being served.
- 2.29 In addition to external commercial advice there will be a need for other professional and technical advice to guide the Council and protect its interests such as legal, financial, survey work, marketing and technical advice.

3 Corporate Objectives and Priorities

- 3.1 Andover Vision 2017 – 2037 identifies 5 key themes one of which is being part of a thriving town centre. The Vision recognised that to do this it needs to be creative in developing the future retail, leisure and residential offer for the town centre. Improve the appearance and environment and strengthen and grow the evening and night time economy.
- 3.2 Romsey Future 2015 to 2035 identifies a number of ambitions for the town. Like most market towns its principal offer is to be a place where people come and meet. However, as the town develops and its population changes, it is necessary to look at what will be needed, not just now but in the future, both in

terms of amenities and the future provision of services. This ambition is being progressed through the South of Town Centre project.

- 3.3 Growing Our Potential – the Corporate Plan 2019 -2023 identifies town centres as a strategic priority. It recognises the need to change the face of the High Street. Future-proofing our town centres to be accessible places where people live, shop, work and spend their leisure time. Enhancing public realm and improving the appearance and environments of our town centres will also require investment over time.

4 Consultations/Communications

- 4.1 Significant public consultation has taken place in conjunction with Andover Vision and Romsey Future and the projects flow from that consultation and the identified aspirations of the community.

5 Options

- 5.1 The options presented in this report are:

- Approve a budget that will enable the continuation of scoping the Andover and South of Romsey Town Centre projects, including major redevelopment.
- Do not approve a budget. This would significantly reduce the ability to take the projects forward, potentially resulting in the aspirations of the Council for this area not being achieved.

6 Option Appraisal

- 6.1 To bring forward detailed re-development project(s) for Andover Town Centre and South of Romsey Town Centre it is essential that some further project expenditure is committed, covering matters such as legal fees, site surveys, valuation fees and commercial advice fees etc..
- 6.2 At this early stage of the project it is not possible to predict exactly what the Council's expenditure will be to obtain the external professional advice required to take the projects forward. The recommended budget identified below is suggested to provide sufficient funds to enable specialist advice to be procured without having to continually revert back to Council; however, it cannot be guaranteed that further funds will not be required.
- 6.3 It is recommended that the budget identified below is approved, with the costs met from the New Homes Bonus Reserve.

7 Risk Management

- 7.1 To bring forward any detailed re-development project for Andover and Romsey it is essential that further project expenditure is committed, covering matters such as legal fees; site surveys; commercial advice and valuation fees etc.

- 7.2 There is no guarantee that a viable project will be identified as a result of these works; however, doing nothing would leave the Council in the position where it is not able to progress any of the outputs from the master planning exercises currently taking place and holding the Chantry Centre, Crosfield Hall and the increasingly derelict Magistrates' Court building with no clear vision of how to make better use of these key sites in Andover and Romsey town centre.

8 Resource Implications

- 8.1 Expenditure has already been spent or committed on the Cultural Quarter and South of Romsey Town Centre as set out in the table below:

Spent	£
Hoarding of Magistrates' Court building plus advertising	3,045
Legal advice on the Cultural Quarter	20,000
SoRTC master planning	1,700
Committed	
SoRTC master planning	14,835
Total	39,580

In addition to the costs shown above, a further £75,000 has been earmarked from the Council's Special Projects Reserve for professional advice in relation to the Andover Cultural Quarter.

- 8.2 It is anticipated that further expenditure will be required for professional land valuation fees; Commercial advice, ongoing legal advice including the development of a Memorandum of Understanding; development promotion; public consultation & engagement; and further surveys etc.
- 8.3 At this stage it is difficult to provide a precise figure of what the extent of the expenditure will be or exactly what work will be required. The scale of the projects is significant and will require significant funds to take them forward. It is suggested that an additional £1,000,000 should be set aside for the projects.
- 8.4 As both of these projects are for community benefit, it is recommended that the total cost identified above is met from the New Homes Bonus Reserve. As at 1 June 2019, the total uncommitted balance in this reserve stood at £6.24M.
- 8.5 It is also recommended that authority for expenditure from the allocated budget is delegated to the project lead officers: the Head of Planning and Building (Andover) and the Head of Planning Policy (Romsey) both in consultation with relevant officers and members as set out in the recommendations.

9 Legal Implications

- 9.1 External lawyers have been engaged to provide support for the Andover Cultural Quarter project. This advice included, for example, delivery vehicle and procurement options for any redevelopment projects. This advice will need to be reviewed and revised in the light of the larger potential redevelopment area, and the masterplan as a whole.
- 9.2 Continued expert legal advice throughout the projects will be essential to their successful delivery.

10 Equality

- 10.1 There no equalities implications arising from this report.

11 Conclusion and reasons for recommendation

- 11.1 This report provides Council with an update of the Andover Town Centre and South of Romsey Town Centre projects.
- 11.2 The report identifies that approval is needed for funding to enable the project to continue. The estimated cost of that work is set out above and is recommended for approval.
- 11.3 Delegated authority is sought to appoint consultants and spend from the allocated fund.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u> It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	0	File Ref:	N/A
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Report to:	Council	Date:	26 June 2019