

# Cabinet Member for Regeneration Q&A Report

**Scrutiny Committee**

**Date: 20<sup>th</sup> November 2017**

---

Author: Cabinet Member for Regeneration

Wards: Wards

Parishes Affected: Parish Area

---

## **1. Purpose and Reasons**

- 1.1 The purpose of the report is to provide Scrutiny Committee with an opportunity to question the Cabinet Member for Regeneration on his portfolio responsibilities and performance.
- 1.2 A key purpose of the Scrutiny function is to hold Cabinet to account and to ensure that Council and partners' priorities and performance are being delivered.
- 1.3 Members of the Committee are reminded that all Members of the Cabinet are required to come before the Scrutiny Committee to take part in a Question and Answer session that will focus on the full remit of their portfolio. Scrutiny Committee is therefore encouraged to focus Question and Answer sessions with Members of specific topics and/or services in order to avoid duplication.

## **2. Recommendations**

The Committee is recommended to:

- 2.1 Note the report by the Cabinet Member for Regeneration.
- 2.2 Put appropriate questions to the Cabinet Member for Regeneration, and decide whether any further action is required.
- 2.3 The Leader of the Council has assigned the following responsibilities to the Cabinet Member for Regeneration, Councillor Garry Perkins.
  - Current Museums, including STEAM
  - Swindon Museum and Art Gallery
  - Community Heritage
  - Regeneration
  - Client Member for FSL Ltd
  - Town Centre regeneration (including inter alia, Aspen House, Kimmerfields, and the Carriage Works, bus station, town centre parking strategy, Fleming Way)
  - North Star

# Cabinet Member for Regeneration Q&A Report

**Scrutiny Committee**

**Date: 20<sup>th</sup> November 2017**

---

- Securing capital investment
  - Lydiard Park project
- 2.4 In overseeing these areas, the Cabinet Member for Regeneration is responsible for the delivery of the following pledges in pursuance of the Council's Vision.
- 2.5 Priority one: Improve infrastructure and housing to support a growing, low carbon economy:
- 2.5.1 Pledge 3 – Demolish the obsolete Carlton Street and Wyvern car parks and use the space for regeneration.
  - 2.5.2 Pledge 5 – Replace the current health centre in the town centre with a new and improved facility.
  - 2.5.3 Pledge 6 – Establish effective and appealing pedestrian links from the town centre to North Star and enhance Wellington Street as a prime thoroughfare for the town.
  - 2.5.4 Pledge 10 – As part of the town's regeneration: Redevelop the former Aspen House site/Granville Street area, to extend on the successful Regent Circus development; and make Havelock Square an attractive, safe open space to complement local shops.
  - 2.5.5 Pledge 11 – Replace the current bus station with a new and modern facility.
  - 2.5.6 Pledge 12 - Improve the town centre road network to pave the way for the Kimmerfields development.
  - 2.5.7 Pledge 22 – Support the development of the new regional leisure destination and North Star.
  - 2.5.8 Pledge 23 – Long term: to secure a sustainable future for the Mechanics Institute and support the redevelopment of the Corn Exchange.
- 2.6 Priority three: Ensure clean and safe streets and improve our public spaces and local culture.
- 2.6.1 Pledge 21 – Secure a new museum and art gallery that can showcase the high quality art and exhibits that we possess.

# Cabinet Member for Regeneration Q&A Report

Scrutiny Committee

Date: 20<sup>th</sup> November 2017

---

## 3. Detail

### What have we done?

- 3.1 In delivering its Vision for Swindon, the Council aims to create sustainable growth and employment within a robust economy which produces a high quality of life for all. To achieve this it is essential to work in partnership with the private, public and community/voluntary sectors to create this environment and drive growth. Below are some examples of such work.

### Kimmerfields Business District

- 3.2 The vision for the Kimmerfields site is that of a new commercial district in the heart of Swindon and outline Planning Consent exists for new development comprising: 600,000 square feet of offices, 150,000 square feet of ancillary retail, a new hotel, 450 residential units with up to 25% affordable, 850 space Multi-Storey Car Park, a new Bus Exchange and Primary Health Care Facility. The Gross Development Value of the scheme is approximately £350 million.
- 3.3 The site has potential to create 4,000 new jobs and generate significant business rates each year, in addition to council tax revenues and new homes bonus generated by the residential part of the development. Kimmerfields also has importance as a gateway project for the wider regeneration of Swindon Town Centre due to its pivotal position between the railway station (which has been identified as an investment priority for Network Rail), Swindon's central business district, the proposed cultural quarter, and the town centre.
- 3.4 Swindon Borough Council (SBC) the Homes & Community Agency (HCA) and Muse (a national mixed use and urban regeneration developer) entered into a Development Agreement in 2008 to deliver the Kimmerfields project as set out in the approved town centre masterplan. Phase 1 has been ongoing for a number of years and has now been completed, including the Whalebridge multi-storey car park, 45 sheltered housing units and, most recently, the Primary Care Trust Building.
- 3.5 Large regeneration projects like this are extremely complex and involve a number of third parties and landowners to complete the land assembly and therefore can take several years to come to fruition. Recognising that Phase 1 has been completed and the Development Agreement with Muse now has only a few months left to run we have mutually agreed to bring forward the end of the development agreement. On 6th September 2017, with a private and confidential report, Cabinet authorised Officers to agree the termination of the Development Agreement with Muse and HCA and to develop options to bring forward development on the Kimmerfields site and report back to the December 2017 Cabinet meeting.

# Cabinet Member for Regeneration Q&A Report

Scrutiny Committee

Date: 20<sup>th</sup> November 2017

---

## Bus Exchange and Fleming Way

- 3.6 A key element of the Kimmerfields development is the construction of a new Bus Exchange and the re-modelling of Fleming Way. The concept designs that were included in the previous Kimmerfields Masterplan have been reviewed and further developed, and updated designs have been prepared. These have been presented to the Town Centre CMAG (see below) and, subject to Cabinet approval in December, will be subject to further consultation before being taken forward through the detailed design process. It is expected that the resulting scheme will be constructed by the end of 2020/21.

## Town Centre Review and CMAG

- 3.7 As the Council is constantly responding to new challenges and opportunities, it is necessary to review our strategies and delivery methods in order that we deliver the interventions to create the most impact for Swindon while demonstrating excellent value for money. To this end, we are carrying out a review how we deliver town centre regeneration, using independent advisors to analyse our work to date. A report will come to Cabinet when this review is complete.
- 3.8 A Cabinet Members' Advisory Group has been set up to report on key schemes in the town centre and this has now met for the first time, providing a useful platform for strategic steer, to give clear sight of progress to all Members and to identify any barriers to achieving results.

## Railway Station Regeneration Project

- 3.9 Using grant funding secured through the One Public Estate programme, a feasibility study to review options for the re-development of Swindon Railway Station has been commissioned. This work is being progressed in partnership with Network Rail, Great Western Railway, and the Homes and Communities Agency. The scope of the study includes the re-modelling of the station to ensure that it has the operational capacity to handle the additional rail services and passengers that are forecast once the electrification of the Great Western Main Line is completed and the new IEP trains are introduced, as well as additional rail services that the Council would wish to see considered connecting Swindon with other destinations such as Oxford, Milton Keynes and Cambridge.
- 3.10 The study also covers the improvement of access arrangements for the station, including a new access from the North Star site, better connectivity across the railway line linking North Star with the town centre, the consolidation of car parking arrangements to free up existing surface car parks for re-development, improved interchange facilities for buses and taxis, and enhanced cycle parking.
- 3.11 The aim is that by the conclusion of the study, the Council and its partners will have a clear vision for the re-development of Swindon Railway Station, including a concept design and an initial cost estimate. This can then form the basis for

# Cabinet Member for Regeneration Q&A Report

Scrutiny Committee

Date: 20<sup>th</sup> November 2017

---

the development of a Business Case for investment in the Railway Station to kick-start regeneration of this critical area of the town centre.

## Falcon House

- 3.12 Falcon House is owned by Standard Life Investments and is in a prominent location above the Debenhams department store in Fleming Way and opposite Kimmerfields Business District. Over time the building has deteriorated and although it is a significant example of 'brutalist' architecture, at present, Falcon House requires attention, having been vacant for around 12 years.
- 3.13 SBC and Standard Life are working on a joint proposal that will result in the refurbishment of Falcon House and create the appearance of a brand-new building where all main internal and external elements will be replaced (apart from the concrete frame). On completion, Falcon House will contribute towards the Council's Vision and the ambition to be a model of well-managed housing growth that supports and improves new and existing communities.
- 3.14 The development will create 90 flats for rent and, it is proposed that Standard Life will fund 50% of the development cost in return for SBC entering a 47-year lease, in return for 100% of the rental income. This will enable SBC to cover its costs of funding, and Standard Life will fund its cost of capital from the lease proceeds.
- 3.15 Standard Life will also undertake a scheme with Debenhams to improve the appearance of their building, to maximise the opportunity from a significant enhancement to this end of the Parade.
- 3.16 A Cabinet Member Decision Note is being prepared and further work is now being carried out with the Council's new housing company who will deliver and manage the scheme.

## Carriage Works

- 3.17 Great Western Works has been developed as a brand to identify the railway heritage quarter and will include the Carriage Works site and neighbouring businesses. FSL has developed a brochure in conjunction with other partners to market the Great Western Works as a destination.
- 3.18 The vision for the Carriage Works is a destination for high value, knowledge based businesses supported with a higher education and research presence, complemented by ancillary retail and hospitality businesses to give a "campus like" feel. A business incubation centre, to help increase the rate of start-up businesses and improve their life expectancy, constitutes the first phase of the development. Swindon's Economic Strategy to 2026 identifies the need for an incubation centre in Swindon in order to address the issues identified in the associated evidence base, namely a relatively low number of start-up businesses

# Cabinet Member for Regeneration Q&A Report

Scrutiny Committee

Date: 20<sup>th</sup> November 2017

---

and a high rate of business failure, particularly by year 3 of trading. This will also help to diversify the business base, thus directly addressing an identified weakness in Swindon's economy.

- 3.19 FSL appointed Siena Contractors Ltd as the site contractors, and commenced on site in July 2017 to refurbish unit 3 of the Carriage Works to create the initial phase of the business incubation centre (with 80 workspaces). Works are progressing well and expect to be complete by December 2017.
- 3.20 Expressions of interest for around 100 desks have been identified so far. The procurement process to secure a site operator to manage the business incubator centre on our behalf has now completed and the preferred bidder will be formally appointed and announced in November 2017.
- 3.21 FSL is continuing to negotiate with potential anchor tenants to firm up investment, which will allow progression to additional phases of regeneration on the Carriage Works site. SBC Cabinet recently approved funding for the progression of the Carriage Works Unit 5 procurement and design for further units.
- 3.22 SBC is negotiating with Network Rail to conclude a land swap (the Bristol Street car park and Carriage Works which are owned by Network Rail) is being exchanged for two car parks - the car park north of the station and Sheppard Street car park - that are owned by SBC). The land swap is expected to complete by the end of 2017/18.

## North Star

- 3.23 Seven Capital took over the North Star scheme in June 2017 and the company is working on the outline planning application for the development of
  - 3.23.1 An indoor snow ski slope of c170,000 sq ft NIA (170m main ski slope, 75m nursery slope, and snow play area)
  - 3.23.2 13 screen cinema of 30,000 sq ft NIA
  - 3.23.3 Ten Pin Bowling operation of 26,000 sq ft GIA
  - 3.23.4 Ground and First Floor sport related A1 retail and other destination "Experience Users"
  - 3.23.5 Ground and First Floor restaurant users
  - 3.23.6 Car Parking for c750 cars (excluding the car parking provision for the existing Oasis Leisure Centre)
  - 3.23.7 Hotel at the entrance to the scheme of c100-150 bedrooms with allocated car parking provision



# Cabinet Member for Regeneration Q&A Report

Scrutiny Committee

Date: 20<sup>th</sup> November 2017

---

- 3.24 The outline planning application for the scheme is being considered at November Planning Committee and the officer recommendation is to grant consent. Seven Capital is aiming to submit a reserved matters application covering the detailed proposals relating to the leisure development by early Spring 2018.

## Swindon Museum and Art Gallery

- 3.25 The Borough Council has asked the Swindon Museum and Art Gallery Trustees to deliver our joint vision of moving the museum from its current location to a bespoke built culturally significant venue with expectations of increasing visitor numbers tenfold to c.100,000 per annum. The new museum and art gallery would provide the catalyst not only for the regeneration of a much wider area of the town centre, but also for social and community development as a cultural, learning and conferencing facility.
- 3.26 With the support of the Council, as well as a range of stakeholders, the Trust is preparing to submit a Heritage Lottery Fund (HLF) bid for Phase 1 funding to work up a detailed business case for the new facility, which will be built on the Wyvern car park site. This bid has to be with the HLF by the end of November 2017.
- 3.27 The Borough Council has not only cleared the site for the new museum and art gallery, but has also agreed to contribute a capital contribution of up to £5m to support the bid, the salary of the Director and also towards construction costs of the new building. It is also anticipated that the operational budget from the existing museum will be transferred to the Trust once it is replaced by the new facility. In addition, the uplift created by the new museum and art gallery is expected to increase land values in the vicinity of the site.
- 3.28 The Trustees are accountable to Members for their use of the Council's subsidy. A successful HLF bid would require more detailed governance structures to be put in place to monitor and scrutinise the Council's contributions to the project to ensure that we are achieving value for money.

## 1&3 Faringdon Road

- 3.29 The sympathetic restoration of two heritage buildings on the corner of Faringdon Road and Catherine Street (at 1-3 Faringdon Road) will help to bring economic uses into a vacant property that is a prominent site on a key route through the town centre adjacent to the railway village. This will help create a sense of arrival to the Railway Heritage Quarter and demonstrate the Council's commitment to improving the town centre environment. It will also create 7,500 sq ft of refurbished space, including apartments and two retail units that will boost activity on Faringdon Road.
- 3.30 FSL awarded the contract to a local company (SAS Build Ltd) to develop the site, and the works are expected to complete in early 2018.

# **Cabinet Member for Regeneration Q&A Report**

**Scrutiny Committee**

**Date: 20<sup>th</sup> November 2017**

---

## Parking Strategy

- 3.31 A report will be presented to Cabinet in December on the Parking Strategy.

## What could we do/have done better?

## Development Agreement with MUSE

- 3.32 As with a number of historic SBC Development Agreements, the “arms-length” management of Kimmerfields has limited the Council’s control on design, cost and most importantly project and programme delivery.
- 3.33 Although frequent meetings must have been undertaken, it became apparent that the developer’s level of resource allocation to the project was limited, as was time invested in progression of viability or design re-modelling.
- 3.34 Although the Council has independently moved sub-elements of the project forward during the last 12 months, with the approval of Muse, given that the development was initiated nearly 10 years ago, milestone targets could have been set at an earlier stage, which would have enabled an effective mechanism for progress review or alternative delivery options.

## Corn Exchange

- 3.35 Forward Swindon and the Council have completed a Development Agreement with the owner of Swindon Old Town’s most iconic building to create an exemplar mixed-use heritage development, including 80 homes and other uses. The developer has until November 2018 to achieve a planning consent for the site.
- 3.36 The Land Joint Venture agreement between the land owner and Developer is ready for signature. This will trigger the shareholders agreement and release funding to progress the pre planning activity and improve site security.
- 3.37 The security of the site has been an ongoing problem. FSL has corresponded with the developer, landowner and the SBC Building control team to reach assurances that highlighted issues will be made good and security to the site will be improved.
- 3.38 Regular liaison meetings with the developer are scheduled to encourage and monitor progress. Initially, this proved ineffective as the developer has not achieved key actions, however when the developers’ shareholders were invited to each meeting by SBC, this provided leverage and recent progress has been achieved including an exchange of the land agreement.

## Challenges for the Portfolio

- 3.39 A high level review of how people travel across and within the town centre has previously been commissioned by Forward Swindon Limited. This has been co-



# Cabinet Member for Regeneration Q&A Report

Scrutiny Committee

Date: 20<sup>th</sup> November 2017

---

ordinated with the Parking Strategy, and both will be brought forward for formal consultation as part of the wider Transport Strategy Review. Integral to this work is the improvement of pedestrian and cycle routes within the town centre, and ensuring that traffic management systems operate to allow motor vehicles to access the town centre car parks by the most suitable route. Funding has already been secured to deliver the Wellington Street Improvement Scheme during 2018, which will result in an enhanced pedestrian route linking the Railway Station and the Town Centre, providing an attractive gateway to the Kimmerfields Business District.

## 4. Alternative Options

- 4.1 The Scrutiny Committee could choose not to operate Cabinet Member Question and Answer sessions.

## 5. Implications, Diversity Impact Assessment and Risk Management

### Financial and Procurement Implications

- 5.1 There are no financial or procurement implications arising as a result of this report. Any expenditure arising as a result of an item on the Committee's work programme will be met by the Overview and Scrutiny Support budget, subject to the approval of the Committee.

### Legal and Human Rights Implications

- 5.2 Section 21 of the Local Government Act requires every local authority to establish an overview and scrutiny function to hold the Executive to account, undertake policy development and review, monitor and improve performance.

### All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 There are no other direct implications arising as a result of the report. Any further implications will be identified when a topic is reviewed by the Scrutiny Committee and in any recommendations made by the Scrutiny Committee.

### Diversity Impact Assessment

- 5.4 No Diversity Impact Assessment is required at this stage. Any DIA that is required during review of these topics included within the work programme will be identified at the appropriate stage.

### Risk Management

- 5.5 No risk management issues have been identified at this stage; any risk management issues will be identified at the appropriate time when a topic is under review by the Scrutiny Committee.

# **Cabinet Member for Regeneration Q&A Report**

**Scrutiny Committee**

**Date:20<sup>th</sup> November 2017**

---

## **6. Consultees**

- 6.1 The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

## **7. Background Papers**

- 7.1 None

## **8. Appendices**

- 8.1 None